Daily Report

Latin America

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Economic Market Agreement Signed in Brasilia

PY062320 Brasilia Domestic Service in Portuguese 2200 GMT 6 Apr 88

[Text] Brazilian President Jose Sarney, Argentine President Raul Alfonsin, and Uruguayan President Sanguinetti have started a Latin American economic market. Today, the three presidents signed the Act of Alvorada in Brasilia.

Today Brazil, Argentina, and Uruguay took another step toward promoting Latin American integration. Uruguay thus joined a process initiated by Argentina and Brazil. This joint decision resulted in the Act of Alvorada, which was signed early this afternoon at Alvorada Palace by Presidents Sarney, Alfonsin, and Sanguinetti.

The Act of Alvorada sets forth the guidelines that will govern the Latin American integration process: gradualism, flexibility, and equilibrium. This means the three countries will stand on an equal footing within this integration process, which will yield benefits to each member country.

Ambassador Seixas Correia, Brazilian presidential adviser for international affairs, has commented on the tripartite agreement.

[Begin Seixas recording] As President Sarney said today when opening a meeting with Presidents Alfonsin and Sanguinetti, this agreement marks a truly historic moment in the history of relations among the three countries. For the first time, through the Act of Alvorada, the three countries have identified a specific area—among the many that have already been explored through the Argentine-Brazilian integration process—to enable Uruguay to start participating in the integration process. [end recording]

Seixas Correia said Uruguayan participation in the Brazilian-Argentine integration process will be instrumental in starting a Latin American economic market. Specific steps in this direction have already been taken by Brazil and Argentina.

Cuba

U.S. Detention of Cameraman in Panama Rapped

FL062345 Havana Radio Rebelde Network in Spanish 2300 GMT 6 Apr 88

[Report from Panama by Nelson Notario Castro, special Television Cubana correspondent]

[Text] The rest of the 1,300 Yankee soldiers sent by the Reagan administration arrived this afternoon at U.S. military bases in the Canal Zone.

Cuban cameraman Comrade Emilio Regalado, from the Cuban Institute of Radio and Television, was unjustifiably detained in the Canal Zone.

Regalado was there to film the arrival of the U.S. troops for the National Television Newscast. The cameraman was with a group of journalists, including Rosa Maria Lazo of the Mexican press agency, NOTIMEX.

They were mistreated by the U.S. forces in the canal area and were unjustifiably detained for approximately 2 hours. Finally, their equipment was returned and they were released. However, the act demonstrates their Yankee prepotency. This act has also received unanimous condemnation from public opinion here in Panama.

The country is relatively normal. It is calm. Businesses are open and transportation is circulating here in Panama today, Wednesday.

Further on Detention

FL070125 Havana Television Service in Spanish 0000 GMT 7 Apr 88

[Text] A Television Cubana cameraman and a Mexican journalist were victims this afternoon of the prepotency of U.S. troops quartered in the Panama Canal Zone. The two professionals were trying to cover the extensive movement of the U.S. military in that area, which has increased since yesterday with the arrival of more than 1,000 troops.

Our special correspondent, Nelson Notario Castro, has more information.

[Notario Castro] The Yankee soldiers that form part of a 1,300-member contingent sent by the Reagan administration arrived at U.S. military bases in the Panama Canal Zone today. The presence of these forces is intended to threaten and organize a possible attack against the Panamanian people.

According to observers here, the number of soldiers—1,300—may be false. The number of troops may be much higher. The United States is maintaining a contingent of more than 10,000 men here.

The introduction of new Yankee troops into the zone has captured the interest of journalists in Panama. Attempting to film this event, as cameramen from all over the world have done since yesterday, Comrade Emilio Regalado had to endure the offensive actions of the Yankee soldiers at Howard Air Force Base. They (?broke) his camera; they threw it to the ground and exposed (?the film).

The equipment was later returned to our comrade. Apologies were made to him and he was invited to return tomorrow to film. Of course, tomorrow they will be prepared.

The most important thing about this prepotent Yankee act, which has been rejected by Panamanian public opinion, is that Comrade Regalado and Rosa Maria Lazo, of the Mexican news agency, NOTIMEX, were detained outside the perimeter of the Yankee base. They were on sovereign Panamanian territory.

National radio today reported rumors that there will be problems with the water supply and public medical services in the capital. This is part of the psychological war waged against Panama, said the national radio network. They also announced a conference tomorrow that will specifically deal with the topic of the psychological war.

Nicaragua's Borge on Peace Talks, Panama

PA061823 Havana International Service in Spanish 2300 GMT 5 Apr 88

[Report by Barbara Bethancourt on news conference held by Nicaraguan Interior Minister Tomas Borge during "a brief stopover" in Cuba; date not given]

[Text] Commander of the Revolution Tomas Borge, the Nicaraguan interior minister, made a brief stopover in our country. He made a statement for the Cuban press at the end of his visit.

Borge first referred to the Nicaraguan contras' postponement of talks with the Nicaraguan Government.

[Begin recording] [Borge] Even kids in child development centers know that Nicaragua has repeatedly demonstrated its flexibility and real desire for peace. Meanwhile, the adversaries of the Nicaraguan revolution have repeatedly shown the opposite. Therefore, the contras' postponement of the peace talks only confirms what I have just said.

Their decision to delay their meeting with the Nicaraguan Government representatives was probably made because of pressures from the U.S. Government, which still rejects the possibility of achieving peace.

[Reporter] What will Nicaragua do?

[Borge] When there is no longer any doubt, we... [changes thought] in other words, we must show [words indistinct] in an irrefutable way, that we want peace. If that cannot be, if peace is not possible and negotiations become stalemated, we will do whatever we have to do. [end recording]

Regarding the possibility that the contras could one day assume control of the Nicaraguan Government as a result of these talks, Borge said he has not even thought about it.

[Begin recording] [Borge] I personally believe it is impossible. It is very difficult to combine light and dark, day and night, brightness and darkness. However, they have the chance to try and achieve power within the democratic rules established in Nicaragua through the electoral process.

[Reporter] Your reply shows great confidence in the people, for example, when you talk about democracy and say that they can try to achieve power, that it will be up to the people to decide.

[Borge] We have historically had blind faith in the people's support for the revolution. It is absolutely impossible to expect that a different historical process will take place in Nicaragua. It is said that history always moves forward. It has no reverse gear; it does not move backward.

[Reporter] What is your opinion of President Azcona's decision to invite U.S. troops to his country and the plans of [words indistinct]?

[Borge] President Azcona did not invite those troops. Those troops invited themselves. President Azcona was only informed of the arrival of those troops.

[Reporter] How does the presence of those troops affect the peace efforts being carried out by the Central American countries?

[Borge] There has been no significant change. We have a clear idea, so to speak, of the Central American reality. We understand that Central Americans do not always make the decisions in Central America, except for Nicaragua. We do make our own decisions. [end recording]

Borge also referred to the situation in Panama.

[Begin recording] [Borge] What has occurred in Panama is admirable in a way, because imperialism only has to frown for governments to fall. Imperialism in Panama has not only frowned but has also growled; however, so far it seems that the Panamanian National Guard [as heard] continues defending its position and continues to hold power under General Noriega. Their ability to resist up to this point has been admirable. We believe the current [U.S.] policy against Panama is aimed at preventing compliance with the treaties. That is the real objective. [end recording]

Rectification Said Focus of 1 May Celebration

FL062159 Havana Radio Reloj Network in Spanish 1902 GMT 6 Apr 88

[Text] Roberto Veiga, secretary general of the CTC [Central Organization of Cuban Trade Unions], has said in Bayamo, Granma, that 1 May will provide an opportunity to reaffirm the intent of all the people to consolidate and intensify the process of rectifying errors and negative tendencies.

The Politburo member told the press that the principal slogans to be unfurled at this historical event will be those calling for the advancement of this process.

Among those who will head the march of the combative people on 1 May, said Veiga, are representatives from minibrigades, machete collectives, and the most outstanding work centers.

The CTC secretary general added that the provincial and municipal ceremonies will mark the important day of the workers with the same enthusiasm and combativeness.

Espin Meets With Consumers' Union Delegates

FL051650 Havana Tele-Rebelde Network in Spanish 1100 GMT 5 Apr 88

[Text] Comrade Vilma Espin, member of the PCC Politburo, has met with a delegation attending the first meeting of the International Organization of Consumers' Union [IOCU] advisory committee.

The president of the Federation of Cuban Women explained the tasks of the women's organization she heads. Specifically, she discussed our country's food situation in which a rational distribution of goods is guaranteed to the population.

Jorge Vargas, director of the IOCU Latin America regional office, also spoke during the meeting and said the organization is composed of more than 100 consumer associations and governmental organizations in charge of the orientation and protection of consumers.

Fluctuations in Construction Work Force Viewed

FL061720 Havana Radio Reloj Network in Spanish 1416 GMT 6 Apr 88

[Text] The level of fluctuation of the construction work force in the country was 23 percent for 1987. This figure represents a loss of almost 35,000 workers annually, according to Daniel Socarras, vice minister of the Micons [Ministry of Construction]. He explained that the entire construction and assembly work force is totally turned over every 4 years. Socarras added that the

Micons realizes that a number of measures must be taken to eliminate this situation. They must essentially be of a political nature and must take into consideration living conditions.

Socarras acknowledged that the time is right to achieve stability in the sector since construction workers increasingly understand the importance of their individual and collective work aimed at developing the country.

The reasons for the fluctuation in the Ministry of Construction are many. Among them are the transient nature of the job and the still inadequate living conditions. Socarras stated that the ministry has provided housing for more than 70,000 people. They are mainly concentrated in Havana City, Cienfuegos, and Moa. He also said that the social recognition of construction workers is still not sufficient.

As the cultural level of youths increases, they do not find the field very appealing. Although they do get involved to a certain extent, they do so on a temporary basis. He also pointed out the importance of organizing brigades because they allow greater interaction among workers and identification with the project. Socarras said these and other measures will lead to stabilization in the sector.

CEMA Metrology Meeting Begins in Havana

FL061918 Havana Tele-Rebelde Network in Spanish 1700 GMT 6 Apr 88

[Text] The 33rd meeting of the CEMA metrology section and the 30th meeting of the Interetalonpribor international association [body under CEMA dealing with measurement technology and joint research, development, and production of measuring equipment] began today at the Palace of Conventions in Havana.

The opening session of the two events was presided over by Ramon Darias Rodes, minister president of the State Committee for Standardization, and Lemur Lauzan, vice president of the same organization, as well as representatives of the CEMA institute in this field.

Lemur Lauzan gave the welcoming remarks and stated that various cooperation matters in metrology will be analyzed during this meeting. Referring to Cuba's development in this area, he pointed to the operation of a new metrological center in Holguin, which was recently inaugurated, and the construction of a similar one in Santa Clara. He also reported that the construction of an ionizing radiation laboratory will begin. It will provide services to the nuclear power plant in Cienfuegos Province.

Assessing the importance of the two meetings, being held in our country for the first time, Lemur Lauzan said they are a step forward in the development of metrology for CEMA countries.

Grenada

Arrangements To Pay OAS Debt Reported

FL062256 Bridgetown CANA in English 2230 GMT 6 Apr 88

[Text] St George's, Grenada, April 6, CANA—Grenada and the Organisation of American States (OAS) have worked out an arrangement under which the island will repay its debt to the hemispheric body, an OAS official reported. The outgoing acting director of the local OAS office here, Todd Payne, said Grenada would eliminate the debt over a period. Payne did not give details about the size of the debt but said part is related to hosting the OAS 1977 General Assembly under the Eric Gairy government.

He told reporters that he had written to Prime Minister Herbert Blaize recently over the debt and had gotten a "favourable reply" regarding efforts to wipe it out.

He said the OAS was going through "problems and difficulties" in mobilizing funds from member governments to carry out projects and there would be a scaling down of OAS activities.

In mid-1987, Blaize told cabinet colleagues in a confidential document that Grenada was faced with the possibility of being black-listed by some organisations due to the island's failure to pay its financial contributions.

Grenada owes the organisations to which it belongs an estimated 5 million dollars in outstanding debts.

Appeals From Bishop Trial, Cuba Set for May

FL062250 Bridgetown CANA in English 2153 GMT 6 Apr 88

[Text] St George's, Grenada, April 6, CANA—The Court of Appeal in Grenada has adjourned until next month hearing of a constitutional motion brought by 18 leftist officials implicated in the 1983 execution of Prime Minister Maurice Bishop in a palace coup.

Court President J.O.F. Haynes of Guyana on Wednesday set May 11-13 as the new date for entertaining the case due to the unavailability of senior defence lawyer Clarence Hughes also of Guyana.

Informed legal sources told CANA that Hughes asked for the adjournment on the grounds of ill-health.

Defense lawyers filed the motion during the course of the trial which started on April 3, 1986 and ended eight months later.

The motion among other things sought a stay in the trial proceedings on the grounds that the defendants right to a fair hearing under Section 8 of the Grenada Constitution was being contravened.

Fourteen former officials including Ex-Deputy Prime Minister Bernard Coard and his wife Phyllis were sentenced to hang for Bishop's death, while three others were given stiff prison sentences.

The defendants appeal arising out of the murder charge sentence has been fixed for hearing by the appeal court on May 30.

The Court of Appeal also set May 13 for hearing a case involving two compensation claims filed by Communist Cuba against the Grenada Government.

Cuba is appealing against a June 1987 decision by High Court Judge James Patterson ordering Havana to deposit U.S.50,000 dollars here before the case could be entertained.

In January, the appeal court struck out the appeal on the grounds that it was made without the proper leave of the judge, but ruled that it could be brought back provided the defense made the necessary amendments within 44 days.

Cuba is seeking U.S. 5.2 million dollars in one of the claims for several pieces of construction equipment used in helping Grenada build its modern international airport at Point Salines.

Havana is also seeking in this claim a further U.S.209,547 dollars in compensation for loss of use of the equipment comprising mainly tractors and trucks.

The other claim relates to an Air Cubana plane which was destroyed at Grenada's now out-of-use airstrip at Pearls during the 1983 U.S. invasion of the island to oust the junta that had seized power in a bloody coup in which Bishop was killed.

The Cubans are asking for 1.987 million Cuban pesos for loss of the aircraft and a further 79,371 Cuban pesos for loss of use of the plane.

During Grenada's 1979-83 flirtation with leftwing revolution, the island was Cuba's closest ally in the English-speaking Caribbean.

Haiti

Police Prohibit March on Election Results

FL052130 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 5 Apr 88

[Excerpts] The police prevented—forbade—a peaceful march yesterday in Petit Goave. The candidates in the Casec [Administrative Councils for the Communal Sections] elections of 31 January 1988 wanted to hold a march yesterday morning, but the police did not allow the march to take place. Here is our correspondent from Petit Goave:

[Begin recording] [Correspondent] According to a plan for today, 4 April, at 1100, several people who participated in the 31 January Casec elections gathered on the porch of Petit Goave's BEC [Communal Electoral Office] to begin a peaceful demonstration asking [words indistinct] Mr Gilbert to make the election results public and install those who won. The demonstration was to begin at the BEC and pass in front of the prefecture and city hall.

From (?very early) in the morning, members of the military clad in olive green and carrying firearms and billy clubs were present along the entire route. We also noticed well-armed soldiers with clubs circulating in groups of three in town.

At 1120, when approximately 30 people had gathered, the commander of the military district of Petit Goave appeared in front of the BEC with a group of well-armed soldiers and dispersed the people. We interviewed some of the demonstrators. Listen to what they told us.

[Speaker] We gave the prime minister a vote of confidence on the day he appeared before the legislative chamber. I don't see why the parliament, the deputies and senators of Haiti, don't (?call in) the government to explain its policy on the 655 rural sections of Haiti. [passage omitted]

We know that decentralization is not possible without the Casecs. [Passage omitted] If this is a democracy, why are the police still pressuring us? [passage omitted]

We know that in Haiti the only people who voted for a president were the peasants. [passage omitted] [end recording]

Regarding the Casecs, Prime Minister Celestin, contacted by telephone, said he is studying the Casec dossier. However, he gave no further details that might enlighten everyone, particularly those who participated in the 31 January elections.

Cayes Jacmel Group Dispersed

FL062158 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 6 Apr 88

[Excerpt] [Passage omitted] An AFP dispatch datelined yesterday, Tuesday, reports that a demonstration just like the one that had been planned for Petit Goave was dispersed in Cayes Jacmel, in southeastern Haiti.

There too, they wanted to protest the fact that no steps have been taken to publish the results of the Casec elections of 31 January 1988.

Further on Labor, Land Problems Facing Peasants
FL060227 Port-au-Prince Radio Antilles-Internationales in Creole 1700 GMT 4 Apr 88

[Excerpts] [Announcer, in French] Thiotte, a town in southeastern Haiti, like many other towns, is confronting many problems. Its residents are forced to go to the Dominican Republic to seek a better life. The problems constituted by the loss of native pigs and the high cost of living was brought up during an interview we had with some peasants from that area. Many of the inhabitants of the area are farmers who cannot market their products because of the condition of the roads. There are practically no roads to Thiotte. [passage omitted]

[Begin recording] [First speaker] [Passage omitted] Now, all the prices of everything have risen greatly. [Passage omitted] What's worse, everyone is unemployed. There is no public administration where a poor man can put in a day's work. They are forced to go work for the big landowners for 3 to 5 gourdes a day. [passage omitted]

[Second speaker] As you know, it is not raining in the area. All the poor are obliged to head for the Dominican Republic.

[Reporter] You just said they go to the Dominican Republic. Is there a legal contract, or do they slip in illegally?

[First speaker] Well, when they are forced to, when they see that they might die one way or the other, they resign themselves and cross the border illegally, to try to make a living over there, because they can't make one here.

[Third speaker] There is a contract every time, an illegal one. The contract is made in secret, unofficially. You get people coming from the Dominican Republic. Macoutes, who are in the Dominican Republic spying, cross the border to come get Haitians. The authorities in the area see them and they say nothing. [passage omitted]

[Reporter] The authorities in the area?

[Third speaker] Exactly, the area authorities.

[Reporter] How is that? I don't understand.

[Third speaker] What I'm saying is that these people come and form groups of people and take them away. They hand these people over at the Pedernales border, or the Banane border. The area authorities know about this but they never say anything.

I myself once ran into a Dominican officer who had crossed the border to come get Haitians in an area called (Boni) at 1900. I had an argument with him. [passage omitted] He said outright that the Haitian authorities knew he had come to pick up Haitians to cut cane.

[Reporter] You mean the man just out and told you this?

[Third speaker] Just like that! A Dominican officer. And when I got to the district and talked about this with the commander of the subdistrict, he told me that General Namphy didn't want to hear about anything like that. No authorities in that area or in Banane ever did anything to control the Dominican authorities' coming to get people in the border area.

[Reporter] Are there a lot of people from Thiotte who go to the Dominican Republic?

[Third speaker] Many. Poverty drives some of them. Also, as you know, there are no government stores in the area. There are no roads, so things cannot be transported here. [Passage omitted] In order to buy a single aspirin for a headache, they have to cross the Dominican border. [Passage omitted] The Dominican authorities grab them when they cross the border. Sometimes they even enter Haitian territory and seize them and cart them away.

[Fourth speaker] [Passage omitted] Then you hear that the Americans, who are in cahoots with the Haitian authorities, announce that all the pigs have fever. They took all the pigs and killed them. [Passage omitted] The peasants have been in terrible straits ever since.

There is also a problem of the cost of leasing state-owned land. Peasants used to pay 47 gourdes to rent a carreau [1.29 hectares] of public land. [passage omitted]

Right now, at present, they make them pay 350-600 gourdes for the carreau for which they used to pay 47 gourdes a year. They have even threatened to seize the land of anyone who fails to pay for his lease for even a week and sell it to someone else. [passage omitted]

[Reporter] How long do they lease the land for? Six months? A year? How long?

[Fourth speaker] They pay the lease every year. Some of them have been leasing the land from generation to generation, for 30, 40, and even 50 years.

[Reporter] And how much was it before?

[Fourth speaker] It used to be 7 gourdes, 14 gourdes, 20 gourdes. Then, at the last minute, it went up to 47 gourdes. Now, like I said, you have to pay 350-600 gourdes. [passage omitted] [end recording]

La Gonave Complaints Cited
FL052259 Port-au-Prince Radio Nationale in Creole 1300 GMT 5 Apr 88

[Report by La Gonave correspondent Ajax Michel]

[Excerpts] Last weekend we received a group of peasants who came to complain about many things. They drew up a balance sheet of their lives with regard to the leasing of state lands, which is one of the problems crushing the people of La Gonave. They said they can't take it

anymore. They told us how much they used to pay for their leases, when things were better, and how much the cost of leasing has risen, even given the fact that things are not going well.

The peasants feel it is their duty to pay their leases because they have known for a long time that one should pay the lease so there will be money in the state coffers for development. However, they said they have always paid with the hope the state eventually would do something for them, such as setting up little dispensaries in different areas so that they can get some health care when they are sick, so that they can recover and continue to work. The state could provide a little school in the area, so that their children could take a new path, while they themselves continued to work in agriculture.

Third, they wanted a small agricultural bank that would make it easy for them to borrow a little money to better accomplish their work. They would be a bit more hopeful because they would (?feel supported by someone).

Fourth, they want an agronomist who comes from the masses, is familiar with the problems of the masses, and knows what it is to be a peasant.

Friends, to everyone's great surprise, it is the opposite that is always done, they say. Peasants are continuing to die like dogs. After a day's work, they cannot even obtain a little water to drink, much less to bathe with. [passage omitted]

These peasants also say that the government ordered them to plant sisal several years ago and the sisal plants are just sitting there being wasted. They ask the government to open up sisal for them. This would allow them to make a little money and would give the trees remaining a breather.

They add that what makes them most indignant is the fact that nothing is ever done for their villages with the money collected from them. [passage omitted]

They are asking what the tax office does with all the money because it is the only institution in the area that is never in the red.

Land rental went from 12.50 gourdes to 31.70 gourdes. [passage omitted] And these lands are not rice lands or irrigated lands like in the Artibonite; the land is arid. [passage omitted]

Maissade Takes Tax Stand

FL062136 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 6 Apr 88

[Report by central plateau correspondent (Jean Clerveau)]

[Text] A press release from Maissade bearing 111 signatures and dated 24 March 1988 says: Last week, some 800 people from 3 communal sections of Maissade met with the tax office official to discuss payment of taxes.

Here are the points the peasants have brought up:

First, they feel that the tax officer was unable to shed any light on the matter of paying taxes or on the increase in the taxes. They also feel that the tax officer makes people pay whatever he feels like making them pay, basing himself on his relationship with the person.

They also say that there is no schedule that stipulates how much a person should pay for different things, such as the tax on mills and the professional licenses for cabinetmakers, tailors, carpenters, and so forth.

Furthermore, they feel the lands have deteriorated and can no longer produce food.

Therefore, they declare: We are not willing to pay a penny in taxes until the tax officer comes up with a clear schedule that tells us how much we should pay for each thing. Also, the rates must not be beyond our means.

They add, speaking of 1986 and 1987: We will never pay a penny for the last 2 years, when things were messed up.

They say they hope no one has any desire to employ violence against anyone in the area, because if anyone were to employ violence, everyone would rise up and counter any such violence.

Strikers at Health Centers Demanding Back Pay

FL062222 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 6 Apr 88

[Excerpts] There is a strike going on at the Mothers-Infants Center located in Ti Place Cazeau. The center's employees, who have been working in the Ti Place Cazeau area for 4 years, today entered the 3d day of the strike they began on Monday because they have not been paid since December.

All the employees, from the lowest level to the high-ranking officials, decided to go on strike on Monday after having taken all the steps they could, having been as patient as they could, and having done everything they possibly could to obtain more than 4 months' back wages. [passage omitted]

The employees are asking that the general director resign. They say that they will not end their strike until they are paid the money they have worked so hard for. [passage omitted]

[Port-au-Prince Radio Nationale in Creole at 1300 GMT on 5 April states: "The employees of the Social Pediatrics Center in the La Saline section of Port-au-Prince held a work stoppage yesterday morning in an attempt to obtain a solution to the recurrent problem of not being paid on time."]

Correction on French Mission's Visit

The following correction pertains to the item subheaded "Further on Mission's Visit," published in the 6 April Latin America DAILY REPORT, page 2, column two, last paragraph of column:

From antepenultimate line of paragraph, make read: ...to help build new people's marketplaces in Port-au-Prince,... (changing word "inexpensive" to "people's")

Jamaica

Garment Workers Seize, Occupy Factory

FL062358 Bridgetown CANA in English 2306 GMT 6 Apr 88

[Text] Kingston, Jamaica, April 6, CANA—Over 500 garment factory workers who struck over pay in mid March seized the plant a week ago and have been occupying it since then, the GLEANER newspaper reported on Wednesday.

The Labour Ministry said it would meet on Friday with the management of the Budget Dress Shop in Kingston and Bustamante Industrial Trade Union (BITU), which represents the employees.

The factory manufactured clothing under the 807 Programme where cloth are cut in the United States and sent abroad for stitching and re-export to the U.S. At the time of re-export, duty is paid only on the foreign content, largely cheap labour.

The issue at Budget Dress Shop is the latest in a series of problems in the 807 garment industry where women, mainly in the Kingston free zone, have been striking and demonstrating over low wages and unsatisfactory working conditions. The government set up an inquiry into the garment industry in the wake of the unrest.

According to union officials, Budget, a New York-based firm, leased the plant from Jamaican operators in 1986, on the basis they would retain existing staff with their years of service in tact. But since then, they said, problems have arisen, exacerbated by a dispute between the Jamaican owners of the factory and Budget, which wanted to terminate the lease.

Union officials say Budget wanted to take responsibility for redundancy payment only for those workers it employed in 1986 while the Jamaican owners, Harold Limited, claimed it had no responsibility for the others.

The issue was further tangled with the [words indistinct] serving of wage claims on Budget last October leading to the strike in March when the union was told that the company could not negotiate because the managing director was out of the country.

Lawyers for Budget have declined to clarify or elaborate on the issue, though they say the workers' charges were incorrect.

However, angry workers last Tuesday, marched to the factory, ordered security guards out of the premises and took over the factory, the GLEANER said.

Some workers say they were fearful that Budget wanted to leave the country without dealing with the problem here.

Belize

Agriculture Minister Departs for London Talks

FL060145 Belize City Domestic Service in English 0100 GMT 6 Apr 88

[Text] Leaving Belize over the weekend en route to London was Agriculture, Forestry, and Fisheries Minister Mr Dean Lindo.

While in London, Mr Lindo will be conducting price negotiations for the banana industry with (Sprite), a British firm that presently has the marketing contract for Belizean bananas.

Minister Lindo is also expected to hold talks with the Commonwealth Development Corporation and the Overseas Development Administration in connection with the financing of the new port at Big Creek in the village of Independence in Southern Sand Creek.

It can be recalled that in October of last year a consultancy team from (Potsfer du Vivir) Engineers were in Belize to conduct a feasibility regarding the expansion of the new port at Big Creek. The improvement of the port facilities is important, not only to cope with the expansion of the banana industry but also for the potential use of the citrus, mango, cacao, fisheries, and rice projects.

Minister Lindo is being accompanied on his visit to London by Mr Craig Griffiths, executive chairman of the Banana Control Board.

Honduras

Azcona Hopes Panama Situation Ends 'Favorably'

PA061300 Panama City ACAN in Spanish 2052 GMT 5 Apr 88

[Text] Tegucigalpa, 5 Apr (ACAN-EFE)—Today Honduran President Jose Azcona Hoyo said that "no man is worth a country's peace," referring to Panama's domestic political situation.

"I believe the Defense Forces in that country must play a key role in finding a solution to that country's problem since they are the ones who have General Manuel Antonio Noriega in that post," he added.

Panama's problem is that it does not have its own currency. "If it had its balboa currency, the situation would not be so dramatic," because by issuing currency the economic deterioration would have been slower, he explained.

"The problem in that country is that there are no dollars; there is nothing. If it starts printing balboas now, the value of that currency would drop 50 percent the next day," Azcona said.

Honduras deplores the fact that Panama should have such a problem and hopes that the present situation will be resolved favorably, he said.

Congressmen Condemn Matta Deportation

PA061910 Tegucigalpa EL HERALDO in Spanish 6 Apr 88 p 40

[Excerpts] Last night Honduran National Congress President Carlos Orbin Montoya said that if Ramon Matta shows up in the United States it will mean "he was kidnapped" by the military authorities, and this kidnapping would have been "an illegal and unconstitutional action." Leaders of the political parties represented in the National Congress condemned this action against a legitimate Honduran citizen. [passage omitted]

When asked whether the police force's participation in Matta's kidnapping was in accord with the Honduran Penal Code, Montoya said that "this falls under the jurisdiction of the judicial branch, and it will be up to them to decide." [passage omitted]

Regarding the participation of Honduran soldiers in Matta's arrest, Montoya said that Mata's lawyers must now present a writ of habeas corpus. Montoya said that "according to Honduran laws, those who arrested Matta must respond to the request. If they do not, then the action will be described as a kidnapping, an illegal search, and an abuse of authority. The law will then have to determine the extent of the crime and punish the guilty parties."

Carlos Orbin Montoya explained that there is a law that allows the deportation of foreigners; however, this law does not apply to Honduran citizens because "Honduran citizens may not be deported." "According to the Constitution, the Honduran citizen can be tried and sentenced in Honduras, but not sent to another country," Montoya said.

The National Congress president said that in order to extradite a citizen, the Honduran Government would have to sign a separate treaty, and that this could apply specifically to cases involving drug trafficking.

National Congress Secretary Oscar Melara condemned the fact that Matta was sent to the United States; however, he added that this would not cause a national problem. [passage omitted]

Liberal Party Deputy Mario Ramon Lopez also condemned Matta's extradition, calling it unconstitutional. [passage omitted]

Nicaragua

Mozambique's Chissano Meets With Students

MB061430 Maputo Domestic Service in Portuguese 1400 GMT 6 Apr 88

[Text] Today President Joaquim Chissano is visiting areas outside the Nicaraguan capital, Managua. Yesterday, the Mozambican head of state had an informal meeting with Nicaraguan youths and Mozambican students in Managua. Our correspondent reports that the meeting was designed to exchange experiences between youths of both countries, particularly in the field of defense. Speaking on the occasion, President Joaquim Chissano disclosed that following talks with Nicaraguan authorities, it was decided that more Mozambican youths will further their studies in Managua.

Panama

Legal Proceedings Against Delvalle, Others

PA070439 Panama City Televisora Nacional in Spanish 0311 GMT 7 Apr 88

[Text] The Attorney General's Office, through Panamanian judicial authorities, in accordance with all norms established by the Constitution, today continued processing charges made by Government and Justice Minister Rodolfo Chiari de Leon against the following citizens: Eric Arturo Delvalle, Gabriel Lewis Galindo, and Juan B. Sosa, who have made attempts against the government, have held public office illegally, and have carried out crimes against the nation's economy.

In the proceedings, former President Delvalle is accused of changing the board of directors of Air Panama, the only Panamanian airline, even though it is a corporation whose stock is owned by the government in trusteeship with COFINA [National Finance Corporation], which is the only one that can change the board of directors. Delvalle appointed Juan B. Sosa president of that board. Subsequently as ambassador, he [Sosa] gave U.S. lawyers the power of attorney to withhold assets of that company in the United States and later to authorize the embargo of a plane at Miami Airport.

Other charges awaiting processing at the Attorney General's Office include the [U.S.] suspension of payments, payments that are called for in the Panama Canal Treaties, and the freezing of those funds that belong to the National Bank of Panama, which are now in the U.S. Federal Reserve Bank and in private banks. In that regard, the National Bank of Panama has accounts in the United States for normal banking operations. Former President Delvalle was never able to act on those funds, not even when he was president, Attorney General's Office official Alvaro Vissuetti, who is in charge of the proceedings, said.

[Begin recording] [Visuetti] In this office, we are processing charges presented against Eric Arturo Delvalle, Juan B. Sosa, and Gabriel Lewis Galindo. These charges were presented by the government and justice minister. At present, this office has ordered the arrest of Mr Delvalle and Lewis Galindo. Before this, the Attorney General's Office had ordered the arrest of former Ambassador Sosa. In the proceedings, there is sufficient evidence to order a preventive arrest, according to the Panamanian judicial code.

[Reporter] Those people are absent. How are they going to be arrested?

[Visuetti] As the judicial code states, this office issues arrest warrants to the appropriate authorities so that they can arrest those people wherever they are. This office will even resort to the Interpol if they are not in Panamanian territory.

[Reporter] Are there any other criminal charges?

[Visuetti] Regarding these gentlemen, we only have the charges I just mentioned to you. I want to emphasize that instructions have been given to the comptroller general to do the appropriate audit in the various consulates that have withheld public funds by order of these gentlemen. [end recording]

According to the Attorney General's Office, former President Delvalle has had no authority to exercise public functions since his removal from office. Those functions are specifically allocated to officials who are currently in office. The fact that he is illegally carrying out those functions is a crime.

Solis Reaffirms Desire for Church Mediation

PA070150 Panama City Televisora Nacional in Spanish 0031 GMT 7 Apr 88

[Text] President Manuel Solis Palma has said that after consulting with the political parties and groups that support the constitutional government, he will appoint the four government representatives to the national dialogue.

In a letter to the Catholic Church, he welcomed receiving the opposition groups' conclusions. He reaffirmed his decision to have the church act as a mediator between the opposition sectors and the government, based on initiatives proposed by President Oscar Arias of Costa Rica, Spanish Prime Minister Felipe Gonzalez, and Carlos Andres Perez and Daniel Oduber, former presidents of Venezuela and Costa Rica respectively.

In his note to the church, President Solis Palma said it is his desire that the mediation begin with the subjects to be discussed, without irreconcilable preconditions and

demands, and that at an initial meeting one opposition and one government delgate establish the agenda, the participating entities, and the procedures for the continuation of the talks.

Solis Palma clearly stated in his letter that General Noriega has delegated his representation to the executive branch for the negotiations that the church is promoting at the initiative of distinguished international personalities. He [not further identified] agreed with the need to create detente and a climate of peace that will promote understanding among Panamanians through the cooperation of all parties. He hopes that church participation will decrease the tone and stridency of activities that generate public unrest.

Crusade: 'No Conditions' for Church Mediation

PA062039 Panama City ACAN in Spanish 1921 GMT 6 Apr 88

[Text] Panama City, 6 Apr (ACAN-EFE)—The Civic Crusade and two opposition parties have stated that no conditions exist for Catholic Church mediation in the country's crisis.

In a letter to Panama City Archbishop Marcos Gregorio McGrath, to which ACAN-EFE obtained access, the Civic Crusade, the Christian Democratic Party, and the Nationalist Republican Liberal Movement said that "we cannot build up the public's hopes that conditions exist for the proposed mediation."

The letter is dated Tuesday, the same day the metropolitan curia announced that the government had verbally accepted Msgr McGrath's mediation in the 10-month-old Panamanian crisis. It also announced that it was only waiting for a written notification from the executive to begin the mediation.

The groups said that in previous church communiques "it was left clear that the proposed mediation must take place between General Manuel Antonio Noriega on one side and the Civic Crusade and the democratic opposition parties on the other side."

The groups reminded him that the church's willingness to serve as a mediator "was evident in the context" of their request to Gen Noriega for him to explain the legitimacy of the executive branch and for him to leave his post.

The opposition groups added in their letter that during a meeting held on Tuesday with Archbishop McGrath, "we were able to prove that Gen Manuel Antonio Noriega did not respond to the mediation offer."

Likewise, they said that "since Monday, sectors close to Gen Noriega have worked hard to try to oppose the mediation offered by the church."

This statement was made in reference to the national dialogue that began on Monday, convoked by the People's Unity Front and not attended by the opposition groups. The national dialogue entered its second day of meetings today at the Atlapa Convention Center.

Abadia Warns Against Canal Treaty Violations

PA062240 Panama City Domestic Service in Spanish 0400 GMT 6 Apr 88

[Letter from Foreign Minister Jorge Abadia Arias to U.S. Ambassador Arthur Davis; dated 4 April]

[Text] Mr Ambassador:

I have the honor to refer to the terms of Article 13, Number 3, of the Agreement for the Implementation of Article 3 of the 1977 Panama Canal Treaties, which expressly state that the use of military postal services, commissaries, and military exchanges by citizens employed by the Panama Canal Commission and their dependents would cease to be authorized 5 years after the agreement went into effect.

The aforementioned article reads as follows:

"3. The United States may furnish to U.S. citizen employees and dependents the services provided for in Article 18 of the Agreement in Implementation of Article 4 of the Panama Canal Treaty signed this date, and authorize their use of the facilities provided for in Article 10 and Article 11 of that agreement provided, however, that their use of military postal services, commissaries, and military exchanges may not be authorized after 5 years from the entry into force of this agreement."

Since the Agreement in Implementation of Article 3 entered into effect jointly with the Panama Canal Treaties on October 1, 1979, the 5-year period to which this provision refers expired on September 30, 1984; therefore, as of that date, Panama Canal Commission employees and their dependents are not authorized to use military postal services, commissaries, or military exchanges.

The Ministry of Foreign Affairs has learned that the U.S. Armed Forces intend, by virtue of arrangements made with the Panama Canal Commission and its U.S. employees, to authorize Panama Canal Commission employees and their dependents to purchase foodstuffs in military commissaries, allegedly because retail food stores in the Republic of Panama are closed. Likewise, the Ministry of Foreign Affairs has learned that the Panama Canal Commission imported foodstuffs, which it later sold to its employees.

We wish to point out that during the recent management strike, the food supply network continued to operate through small grocery stores, complemented by produce fairs and the produce market established by the national

government. In addition, we would like to point out that said management strike has ended and, consequently, commercial and industrial activities nationwide have returned to normal.

If the U.S. Armed Forces proceed to grant those privileges, which are not provided for in the Panama Canal Treaties, they would be acting in violation of the aforementioned treaty provisions, because Panama Canal Commission employees and their dependents are not authorized to make purchases in the U.S. Armed Forces commissaries under any circumstances. The Panama Canal Commission's conduct is also in flagrant violation of Article 9 of the Agreement in Implementation of Article 3 of the Panama Canal Treaties, which clearly states that in acquiring supplies and services, the Commission will show preference for items that can be obtained in the Republic of Panama.

In addition to the above, we call your attention to Article 628 of the Tax Code, which reads as follows:

"Article 628. It is an infraction, punishable by a fine ranging from 50 to 1,000 balboas, for any unauthorized person to make use of commissaries, military exchanges, or other service facilities mentioned in Article 11 of the Panama Canal Treaty of 7 September 1977, or to be in unlawful possession of goods obtained at the aforesaid facilities. Customs authorities will order the confiscation of any such items that have not been consumed."

In view of this, the Panamanian Government will enforce treaty and tax code provisions. Therefore, persons not authorized by the 1977 Panama Canal Treaties and Implementing Agreements who are found in possession of food items from said facilities will be charged with the crime of contraband and handed over to the proper authorities for punishment, and the goods will be confiscated. To this end, we are recommending that the General Directorate of Customs of the Ministry of Finance and Treasury have its corps of inspectors establish the appropriate checkpoints to prevent the abuse of privileges and the crime of contraband. For this reason, the Ministry of Foreign Affairs recommends that the U.S. Embassy urge the Panama Canal Commission and the Joint Committee to refrain from engaging in conduct that violates the provisions of the 1977 Panama Canal Treaties.

I take this opportunity to reiterate my esteem to the ambassador.

[Signed] Dr Jorge Abadia Arias

Minister of Foreign Relations

Crusade March Dispersed; Newsmen Arrested

PA070130 Paris AFP in Spanish 0022 GMT 7 Apr 88

[Report by Isidro Sanchez]

[Excerpts] Panama City, 6 Apr (AFP)—[Passage omitted] Meanwhile, this afternoon the Civic Crusade called for a "hunger march" and about 200 people walked along a stretch of Calidonia Avenue shouting antigovernment slogans, waving white handkerchiefs, and emptying trash cans onto the streets.

The police showed up and 1 hour later fired tear gas, which forced "Crusade members" to leave.

About 10 people were arrested by the police during the protest, according to opposition spokesmen; newsmen Manuel Bequer and Hector Lopez of the British Visual News [preceding two words in English] Television Network were also arrested.

Finally, two other newsmen, one from Cuban television and the other from the Mexican NOTIMEX news agency, were under arrest for 3 hours at Howard Air Force Base, 30 km [as received] from the capital. [passage omitted]

Their release was possible through the mediation of the Panama Defense Forces when NOTIMEX newswoman Ana Maria de Pauli invoked an article of the Torrijos-Carter Treaties stating that anyone arrested on a military base can request the presence of Panamanian military authorities.

U.S. Military Said To Beat, Detain Newsmen

PA062053 Panama City Domestic Service in Spanish 2000 GMT 6 Apr 88

[Text] Today U.S. military policemen detained a Cuban television cameraman while he was doing his work in the former Canal Zone, which is under U.S. control, reporters have indicated.

According to reliable sources, Emilio Regalado, the cameraman, and newswoman Ana Maria de Paulis, a NOTIMEX reporter, were beaten, abused, and handcuffed by Howard Air Force Base security members.

Nelson Notario Castro, a member of the Cuban television newscast team, said Regalado did nothing improper or illegal, but was trying to get permission to cover events. Notario Castro said the U.S. military policemen attempted to seize Regalado's equipment, and an incident ensued when he refused to let go of it. Regalado was thrown to the floor, beaten, and handcuffed.

Notario Castro also said that after Regalado and de Paulis asked for the presence of Panamanian authorities with whom the two are properly registered, the U.S. policemen told them to stay where they were because they were under arrest.

Two U.S. Soldiers Detained in Panama City

PA070001 Panama City Telemetro Television in Spanish 2329 GMT 6 Apr 88

[Text] Two uniformed U.S. soldiers in a military jeep were caught by surprise this afternoon in the El Chorrillo area [of Panama City], the Panama Defense Forces Public Relations Office has reported.

Lieutenant Robert Hood and Corporal (James Partenza) were taken to the Panamanian Military Police headquarters in Ft Amador so they could explain their presence in the area. The two soldiers said they were lost.

The report added that both men are part of the security force contingent that just arrived from the United States and that they must remain inside their military bases. They should not be in Panama City for any reason, the report said.

PNP President Calls on Noriega To Step Down

PA070034 Panama City Radio BB Network in Spanish 1206 GMT 6 Apr 88

["Domplin's Gunboat" talk show with Olimpo Saez, president of the Popular Nationalist Party (PNP)—live]

[Excerpts] [Passage omitted] I have just returned from the interior of the country where I spent Holy Week, and it just broke my heart. As a Panamanian, as a politician who has always dreamed of the nation's grandeur, I am sad. In Tonosi, a friend told me that people there were waiting for the Americans to invade soon, because they could no longer put up with the crisis. It hurt me to hear that, and I argued with him, but I felt my words were not being well received by a Panamanian desperate and traumatized over the problems we are experiencing. I then went to La Villa de Los Santos, and there I met with several people. I again heard the same terrifying cry that tore my heart: What are the gringos waiting for; when are they going to go into action to free us from Noriega? I then went to my hometown—Chitre—and there I talked with friends who had the same desperate cry of a people who feel helpless in front of Noriega. They told me: Olimpo, when are the gringos coming? I argued with them, but I felt that they were not listening to me.

Many Panamanians now feel that if one is opposed to U.S. military intervention, that means one is an ally of Noriega. However, that is not true. I also went to Monagrillo, and I must say that I heard the same cry from many—but not all—of the people I saw. Everyone wanted to know when the gringos will save us. Furthermore, I saw graffiti in Monagrillo that displayed political slogans against Noriega; it is the people's right toExpress their disapproval of the incumbent ruler; but I found other slogans that broke my heart. I saw slogans that read: Welcome Reagan [preceding two words in English—FBIS]; welcome gringos. That hurt me.

I wonder what is happening to us; what have we done that Panamanians forget our heritage of struggle; for Panamanians to forget our heritage of sovereignty, independence, and freedom? That is what I felt when I was in the interior, where I also visited Aguadulce, Penonome, and that is the terrifying news I heard. [passage omitted]

From the bottom of my heart, I believe we must all ask ourselves the following questions; we must ask the members of the Panama Defense Forces [FDP], the leaders of political parties, all the Panamanian people: What right does one man have to continue bringing this country to the brink of national disaster? What right does one political party have to continue leading this country to the hole in which we are sinking? What right does the United States have to maintain this embargo, which is causing Panamanians hunger and despair? What right do we Panamanians have to ask—in view of our helplessness to cope with Noriega—for U.S. intervention on our soil? What right do we Panamanians have to crush our history of sacrifices? No Panamanian has that right.

That is why this morning I am not going to repeat the charges that everyone knows. I am here to tell those who are unlawfully holding power that the time has come to halt on this road to national suicide. My dear Panamanians, the existence of our nation, the future of our younger generations are at stake. [passage omitted]

On behalf of the Popular Nationalist Party, I believe that in the face of this desolation I want to ask General Noriega to keep his word and to leave power, as he told Solis Palma he would do. It is not right that his stay in power will lead the FDP to a confrontation with the U.S. Armed Forces stationed in the Canal Zone. We know, through logic, what the results of that confrontation would be. Gen Noriega was chief of G-2, and he knows perfectly well what would happen in a confrontation to which we are being driven in this psychological war—this war of nerves—between the FDP and the Pentagon. [passage omitted]

Some claim that it is the oligarchy that is protesting. That is untrue. The Panamanian people are protesting because they are tired, they are hungry, they are unemployed. Public employees are fed up; the workers are fed up; the people are tired of the corruption everywhere. Even the government admits there is corruption. So what are we doing with this country? Where are we heading? What do they [not further identified] want? To turn us into a U.S. colony as a result of an invasion, of our inability to hold a dialogue? What are we going to become? Does Gen Noriega and those supporting him sincerely believe we can face the U.S. Army? I do not think we can face the U.S. Army. I think it would be national suicide. [passage omitted]

Banking Commission Issues New Regulations

Safe Deposit Box Access

PA061458 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Apr 88 pp 1, 8

[Resolution No 10-88 issued by the National Banking Commission in Panama City on 29 March]

[Text] Whereas:

The unexpected and temporary freezing in the United States of cash for the National Bank of Panama, which supplies the Panamanian banking system with the required amounts of U.S. dollars for the system to operate, worried clients of the banks established in Panama to the point that there was an unusual and collective interest in withdrawing cash and funds in general in any form or value;

In view of the aforementioned abnormal conditions, it was necessary to order a temporary suspension of all banking operations in banks established in Panama under general license. The measure was adopted to protect the overall functioning of regular banks and their establishments, as well as the overall interests of each and every one of their depositors;

Gradually, the necessary conditions have been restored for permitting regular access of clients to their safe deposit boxes in official banks and the other banks established in Panama under general license;

The National Banking Commission, in exercising its legal powers, resolves:

Article 1: Banks are authorized to restore regular access to safe deposit boxes.

Article 2: This agreement will be effective on the date of its issuance.

Issued in Panama City on 29 March 1988.

To be published and implemented

Azael Purcait, President

Mario De Diego Jr., Secretary

Surplus Reserves

PA061459 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Apr 88 p 8

[Resolution No 11-88 issued by the National Banking Commission in Panama City on 31 March]

[Text] Whereas:

It is the Banking Commission's function to safeguard the banking system's solidity and efficiency to promote the appropriate monetary and credit conditions that will ensure the national economy's stability and sustained growth in line with the provisions of Article 4 of Cabinet Decree No 238 of 2 July 1970;

Article 14 of Cabinet Decree No 238 of 2 July 1970 entrusts the commission with determining the interpretation and scope of legal provisions covering the banking sector's administrative functions;

Paragraph 3, Article 37 of Cabinet Decree No 238 of 2 July 1970 empowers the commission to determine other assets that could make up 70 percent of banks' legal reserves; and

In its working sessions, the commission decided it would be advantageous to authorize the use of additional assets to form a surplus reserve in excess of the legal reserve required of banks holding a general license to operate in Panama;

The National Banking Commission, exercising its legal powers, resolves:

Article 1: As long as the restrictions established in Resolution No 4-88 of 21 March 1988 on deposits consigned to the National Bank of Panama for banks with a general license remain in force, the following assets will be acceptable as a surplus bank reserve fund as authorized by Article 37 of Cabinet Decree No 238 of 1970: demand deposits and those commonly called "overnight" deposits kept in official banks and other generally licensed banks in Panama.

Article 2: The present resolution will go into effect on its date of issue. Issued in Panama City on 31 March 1988.

To be announced and enforced

Ricaurte Vasquez M.

President

Mario De Diego Jr.

Secretary

Reopening for Embassies

PA061549 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Apr 88 p 8

[Resolution No 12-88 issued by the Panamanian National Banking Commission in Panama City on 31 March]

[Text] Whereas:

The ill-timed and temporary U.S. freeze on Panama's legal tender cash held in that country to meet the Panamanian banki ıg system's normal requirement of U.S. dollars through the National Bank of Panama aroused the expectations of depositors at the banks established in Panama, causing an unusual collective interest in withdrawing cash and general funds of any value and in any form;

In view of the abnormal conditions referred to in the previous consideration, it was necessary to order the temporary suspension of all banking operations at the banks established in Panama under general license to protect the integrity of the banks and their normal functioning of their establishments, as well as the integrity of each and every one of their depositors' interests;

The Republic of Panama is a signatory of the Vienna Convention of 18 April 1961 regarding diplomatic relations and the Vienna Convention of 24 April 1963 regarding consular relations, which both establish the privileges and immunities of the diplomatic and consular corps;

Cabinet Decree No 280 of 13 August 1970 established the national regulations governing the concession of privileges and immunities to the members of diplomatic missions, offices, consulates, representatives of international organizations, and special missions accreditted by the government of the Republic of Panama;

And, it is the commission's duty, in accordance with Article 14 of Cabinet Decree No 238 of 2 July 1970, to establish the interpretation and scope of legal arrangements in banking matters in the administrative field;

The National Banking Commission, in exercising its legal powers, resolves:

Sole Article: The government's banks and other banks established in Panama under general license are authorized to resume operations exclusively for diplomatic and consular missions and international organizations and their members duly accredited by the government of the Republic of Panama, whose deposits are, moreover, excluded from the restrictions established in Agreement No 8-88 of 28 March 1988.

Each bank will adopt the pertinent measures to carry out the operations authorized by the present agreement, considering all other banking operations are still subject to Agreement No 2-88 of 5 March 1988.

Issued in Panama City on 31 March 1988.

To be disseminated and implemented.

The President,

Ricaurte Vasquez M.

The Secretary,

Mario De Diego Jr.

Interbank Deposit Limits

PA061555 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Apr 88 p 8

[Resolution No 13-88 issued by the National Banking Commission in Panama City on 31 March]

[Text] Whereas:

The unexpected and temporary freezing in the United States of cash for the National Bank of Panama, which supplies the Panamanian banking system with the required amounts of U.S. dollars for the system to operate, worried clients of the banks established in Panama to the point that there was an unusual and collective interest in withdrawing cash and funds in general in any form value;

In view of the aforementioned abnormal conditions, it was necessary to order a temporary suspension of all banking operations in banks established in Panama under general license. The measure was adopted to protect the overall functioning of regular banks and their establishments, as well as the overall interests of each and every one of their depositors;

In working and consultation meetings of this commission, it has been stated that it is necessary and advisable that, prior to the resumption of bank operations, special conditions be established so as to apply them to interbank deposits maintained in or by these banks and other interbank operations;

And, in accordance with Article 4 of Cabinet Decree No 238 of 2 July 1970, the commission is empowered to maintain the stability and efficiency of the banking system so as to promote the adequate monetary and credit conditions for the sustained growth and stability of the national economy;

The National Banking Commission, in exercising its legal powers, resolves:

Article 1: The conditions established in the following articles apply to interbank deposits maintained in or by official banks and other banks established in Panama with general licenses.

Article 2: The interbank deposits with previously agreed upon maturity dates falling after 3 March and prior to the date of resumption of banking operations will be successively extended for periods of no less than those previously agreed upon, and at least 90 days counted from the date of resumption of banking operations, and at an interest rate no less favorable than the originally agreed upon rate for the deposit.

The interbank deposits with maturity dates originally agreed upon that were the same as or less than 21 days will be excluded from the restriction established in this article; they will continue under the normal system previously established for them.

Article 3: The interbank deposits with previously agreed upon maturity dates falling on or after the day of the resumption of banking operations will be extended for at least 90 days, counted from the previously agreed upon original maturity date, and at an interest rate no less favorable than the originally agreed upon rate for the deposit.

Article 4: Notwithstanding the restrictions established in the previous articles, it is expressly understood that:

A) The interbank deposits made subsequent to the resumption of banking operations will be excluded from the restrictions established in the previous articles.

B) The interest produced by interbank deposits before or after the resumption of banking operations are excluded from the restrictions established in the previous articles. That interest will continue under the normal system freely agreed upon for them.

C) The interbank deposits not restricted by the previous articles, especially on sight deposits, are free from the restrictions established in this resolution. Those deposits will continue under the normal system previously established for them.

Article 5: The provisions of this resolution do not affect what was established by Resolution No 4-88 of 21 March 1988.

Article 6: The provisions of this resolution will go into effect begining on this date.

Issued in Panama City on 31 March 1988.

To be promulgated, published, and executed.

President Ricaurte Vasquez M.

Secretary Mario De Diego Jr.

Argentina

Navy Chief of Staff Recalls Falklands War

PY051502 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1925 GMT 4 Apr 88

[Text] Buenos Aires 4 Apr (NA)—Recalling those responsible for the "planning and carrying out the campaign for the recovery of the Malvinas Islands," Rear Admiral Ramon Arosa, chief of the Navy General Staff, today implicitly defended the political-strategic conduct of the war for the southern archipelago.

The Navy chief of staff's remarks are contained in a message he sent to all Navy units celebrating the 6th anniversary of the short-lived recovery of the Malvinas Islands. In the message, he criticize those who, "based on wrong concepts and interests, seek distorted interpretations and underestimate the role of the Armed Forces."

Arosa said: "The Navy pays homage to those who took part in this historical event," to those responsible for the "precise planning and conduct of the campaign for the recovery of the islands," as well as to those responsible for "the devoted defense of this portion of the fatherland's territory."

"It is not victory that matters most in the defense of our sovereign rights. What really matters is our determination in defending these fair rights, which are deeply rooted in the hearts of all Argentines," he said.

Arosa praised the contribution of the Navy to the defense of these rights, "which Argentina continues to defend, now through diplomatic channels." He also praised "the altruism of the principles that guide the Navy and the great operational capacity of this branch of the Armed Forces."

Arosa said: "As military men, we do not [words indistinct]." However, "it hurts us to hear criticism which, based on wrong concepts and interests, seeks simplistic interpretations that underestimate and distort the role of the Armed Forces. Our only answer to this criticism is to reaffirm our unfaltering will to continue improving our professional capacity in order to better serve the interests of the country."

"The painful events experienced during the war were a challenge that allowed us to overcome difficulties and to improve our operational capacity, although we feel that we can improve it further," Arosa said. We assure you that "our answer to this challenge is our highest homage to our dead, whose memory will continue to stimulate our will and guide our efforts."

Officer Arrested for Illegal Arms Possession

PY051316 Buenos Aires TELAM in Spanish 2311 GMT 4 Apr 88

[Text] Buenos Aires, 4 Apr (TELAM)—Tonight the Joint Staff office officially reported that last Saturday night, the police arrested Captain Jose Luis Manetti of the Arsenal Brigade for illegal arms possession. The arrest took place in Florida, Buenos Aires Province.

That day, the police kept three buses from driving to the Magdalena Prison, where former Lieutenant Colonel Aldo Rico is being held.

The Army communique states that Capt Manetti is assigned to the 9th Infantry Brigade, headquartered in Comodoro Rivadavia, and that San Isidro Federal Judge Alberto Pinotti as well as the Commodoro Rivadavia military court have ordered pretrial inquests in this case.

Economy Minister on Inflation, External Factors

PY061301 Buenos Aires Argentina Televisora Color Network in Spanish 2330 GMT 5 Apr 88

[Interview with Economy Minister Juan Vital Sourrouille by reporter Carlos Campolongo during "The Government Reports; You Decide" segment of the ATC "Noticiero Nacional" program in Buenos Aires on 5 April—recorded]

[Excerpts] [Passage omitted] [Campolongo] Well, Minister, several issues have been raised here. One is inflation, of course. The question is: When will it stop?

[Sourrouille] It is extremely difficult to stop inflation with one stroke in our country. I believe we are all aware of the difficulties we are facing. These questions reflect everyone's feelings. We must put an end to inflation. We must bring inflation under control. The truth is that many positive things that are happening in the country have somehow been undermined or overshadowed by inflation. The government, like everyone else, does not like inflation.

The fact is that we must bring inflation under control. As you know, the government has followed a policy to this end: We have steadily sought to improve competitiveness and to lay the groundwork for implementing an anti- inflationary policy.

One thing that is hard to convey but that everyone must understand is that it is not possible to eradicate inflation with shouting, through decrees, or with magic solutions. This would frankly transcend our responsibility as managers.

To stop inflation we must find some basic points of equilibrium within the Argentine economy. Although a great effort has been made and we are on the right course, the truth is that we must pay greater attention to some problems to bring inflation under control under sound conditions.

I would say, to cite some factors, that the fiscal problem is today perhaps the main cause of inflation. Another factor is of course the uncertainty provoked by our foreign debt in our international relations.

To fight inflation we must certainly improve competitiveness in the country. We must also—and this is paramount—bring these basic imbalances under control in a safe way. The government has made progress but it has been unable to maintain that progress. [passage omitted]

[Campolongo] Well, could you live on a worker's salary?

[Sourrouille] I think so. Of course I would like to have a higher standard of living, but I would not have problems living on the average salary earned by the Argentine people. As a matter of fact this is what I do. I feel I should not have problems living on a worker's salary, but I would make an effort to improve my standard of living.

[Campolongo] Reviewing your 4-year tenure as economy minister, quoting the Argentine citizen we just saw, do you think things are better? He said people are starving.

[Sourrouille] I frankly do not believe people are starving in Argentina. I believe this cliche phrase just reflects a sense of anguish or discomfort, but people are not starving in Argentina. [passage omitted]

As to whether things are better today, I believe things are definitely better today than a few years ago; in the first place, because we live in an atmosphere of mutual respect: We now enjoy individual freedom, there is respect for the institutions, there is full democracy, and, therefore, individual opinion is fully guaranteed.

I have no doubt that we are also better off from the economic standpoint. The problem is that this is a difficult process. We in the government have to guide our ship amid difficulties, obstacles, storms, and at the same time we have to rebuild the ship. [passage omitted]

[Campolongo] Based on the subjects we have discussed thus far, it is propor to ask now: In the final analysis, to what extent is Argentine economic development conditioned on external factors? First, it was said that we were not going back to the United States to negotiate, but government officials are still going. Standby agreements are signed, setting very strict guidelines that are reviewed every 3 months. If you do not meet these guidelines, then you have to submit a request for a waiver. All this gives us the impression that we are largely dependent on external factors.

[Sourrouille] External factors, namely the debt, are in fact restricting the growth of indebted countries, such as Argentina. The debt does not make growth impossible, but difficult.

We believe, we are absolutely convinced that our relations with other countries are beneficial to us. In the past, we lacked the self-confidence needed to address this task.

[Campolongo] Aren't those just empty words, Minister?

[Sourrouille] No, no, no.

[Campolongo] Please give me some facts.

[Sourrouille] Our trade relations with foreign countries entail more work for the Argentine people. I mean more work, more jobs, greater opportunities, higher salaries, higher standards of living. Why? Becasuse we can thus have a larger market. That is a fact. We have to go out to win the world. That is what we are doing. [passage omitted]

[Campolongo] Yesterday President Alfonsin talked about profiles. Has the Economy Ministry decided what activities will be emphasized to promote our goal of becoming an integrated part of the world?

[Sourrouille] Yes, but perhaps not as precisely as you might think. We do not believe it is the government's role to tell each Argentine what to do. What we can do is show him the way. In keeping with the idea of broadening our prospects and our hopes, we believe there are some areas that are more promising than others in terms of expectations.

[Campolongo] Which areas?

[Sourrouille] I am getting there.

[Campolongo] All right.

[Sourrouille] Everyone knows there are agricultural problems, but things are better today. I believe this is an undisputable fact. We are creating opportunities in various industrial sectors. For instance, today Argentina is a base for exporting computer items to the world. At the same time, we are leaving tomorrow for Brazil to sign an agreement in the agricultural/food sector. This will open a large market to Argentina, because no one doubts that the Argentine food-processing industry has a promising future. [passage omitted]

Some people believe we are some sort of instruments of international organizations or of foreign ideas through which we implement Argentine policy. Some have expressed this idea tactfully, others rather rudely. This idea, frankly, is outright foolishness.

I want to categorically state that it is undoubtedly advantageous for us to maintain international ties. We believe this is instrumental in strengthening our country. We are aware that we have problems with our debt and that we must fight to change our current debt terms. Those controlling those terms are banks; international

organizations such as the IMF, the World Bank; creditor countries; and others. We do not share the viewpoint of our creditors regarding the way the debt should be managed. Thus, we should fight to change our creditors' position. I can tell you that we indeed believe it advantageous to negotiate, no matter how difficult the process. I can assure you that no one is imposing conditions on the Argentine Government. Finally, I want to clearly say that we have difficulties rescheduling our debt. Everyone knows that had we decided not to reschedule, we would have less credit. Finally, I believe everyone should understand that the fact that the negotiations are so hard has proved that we are not soft. [passage omitted]

[Campolongo] I am a psychologist and I believe we have made a mistake. One clip we saw here tonight showed a person asking you if you were going to resign, but you have not answered him.

[Sourrouille] Well, perhaps there was an audio problem, [laughing] as the boys usually say around here. No, I am not planning to resign for two or three reasons. In the first place, I am fully convinced that the government is now doing its best under the current circumstances in the country. Second, I believe the resignation of a minister would not change the country's situation. Some people have the mistaken notion that the economy epitomizes all possible evils. Argentine problems are not of an individual nature. It is up to the government and the economy minister to correct these problems. Yet, these problems will not be resolved by replacing one person. We have a mandate to fulfill. We have a program that we are now implementing. Obviously, not everyone can be happy with our actions. However, we are sure that we are doing the right thing. [passage omitted]

SIDE Chief on Envoy's Remarks, Ties With Chile

PY061757 Santiago ANALISIS in Spanish 21-27 Mar 88 pp 58, 59

["Exclusive" interview with Facundo Suarez, SIDE chief, by Francisco Martorell, in Buenos Aires; date not given—quotation marks as published]

[Text] [Martorell] According to several press reports, you hold regular talks with the chief of the Chilean CNI [National Intelligence Center].

[Suarez] I spoke with [CNI chief Hugo] Salas once, when a renowned Chilean opposition leader was receiving death threats. I spoke with the CNI chief then to express our concern about the possible illegal repression of someone who had been received by President Alfonsin and the leadership of the main Argentine political parties.

"We believe that a man who respects our country due to his ideology and who came here to express—under the protection of Argentina law—his disagreement with a government system should not be the victim of an attack. "That is the only time I spoke with Salas, and only because several Chilean and Argentine sectors requested it."

[Martorell] The statements [regarding cooperation between the Chilean and Argentine intelligence services] made by Sergio Gaete, Chilean ambassador to Argentina, aroused great concern in Chile and in the rest of the world. International sectors do not think the Argentine denial of his statements were strong enough. What do you think?

[Suarez] I clearly said that such reports were "false." The best denial is demonstrated by the behavior of Argentine authorities toward Chileans. We do not create difficulties for them here. They are allowed to speak in public gatherings and to invite international personalities. They are absolutely free to express their ideas.

"The best way to refute those false reports is to ask if there is a single Chilean who has been arbitrarily arrested here."

[Martorell] Have the intelligence "services" of the two countries ever been interrelated?

[Suarez] This must be clarified. The relations ended with the establishment of a democratic government, especially that of the UCR. Such exchanges existed in the past when even Chileans who came here running away from death or repression were returned to their country. Those things have not happened since the establishment of democracy in Argentina.

"No activities have taken place here that could demonstrate that an individual's right to preserve his life and express his ideas is not respected here.

"Chileans should compare the procedures of the past with those of the present, and then they can determine which government is defending democracy and which is not so sure."

[Martorell] If we analyze Gaete's statements we can deduce that, taking into account the charges that the intelligence services of both countries are collaborating, any attack against a Chilean resident in Argentina can be attributed to the Argentine services, to you, or to a government which is known for its permanent defense of human rights. What do you think of this?

[Suarez] I do not wish to discuss what could be said. What I wish to say is what the Argentine Government and the security service are doing to guarantee the life of a Chilean or Paraguayan citizen who has come here to save his life.

"We have not and will not allow any Chilean intelligence service to operate in our country. In the past, when we suspected that a person belonged to a Chilean organization, we deported and expelled him. In some cases we even prosecuted him.

"I can assure you, in your role as a Chilean, that we have the means to prevent any foreign service from operating in the country."

[Martorell] Do you think the statements of the Chilean ambassador as well as other charges made against you are part of a campaign against you?

[Suarez] Yes, I have been attacked from all sides. An extreme rightist magazine even said that I am with the revolutionary Chileans because my father was a revolutionary. Even that is false. The only Chilean relative I ever had was my father's grandmother.

"It has also been said that I am pro-Chilean, too friendly with the Chileans. All I can say is that I am very grateful to the Chileans because my father lived in Chile in exile during the 1930's and the Chileans helped him a lot.

"I have a moral relationship with the Chileans. I have good relations with those Chileans who are suffering a temporary disgrace."

[Martorell] How would you describe current Argentine-Chilean relations?

[Suarez] Regarding border matters, very positive; regarding politics, I would describe them as somewhat cold. It is our goal that Chile become a democracy integrated into the Latin American system as soon as possible.

"It must be clearly stated that we have never carried out activities against the institutional Chilean Government. We have a different ideology and we express it openly, but we do not meddle in Chilean domestic affairs because it is not appropriate and because, since the establishment of the Argentine democratic government, our border relations are good."

[Martorell] Another subject periodically discussed by the media is the alleged military training that some Chilean groups could be receiving in Argentine territory to confront Pinochet's regime...

[Suarez] That is just another charge that some sectors have pressed to promote an attitude against the Chileans who are peacefully doing everything they can from an ideological viewpoint and who are not engaged in military activities in Argentine territory, because the Argentine Government would not let them engage in that type of activity.

While there is a campaign against the Chileans, another one has been orchestrated against me because I am doing things that are very unusual for intelligence service chiefs, who are always hidden and who never speak. I speak because we are in a new democratic stage in our country, a stage in which no one needs to hide. Those sectors want to promote general dissatisfaction, but since they have failed they are now trying to concentrate their action in specific areas where they can create sources of suspicion.

[Martorell] A major Argentine foreign policy issue concerns sovereignty over the Malvinas Islands. Now that Great Britain is holding major military exercises in the South Atlantic, what is your position on the subject?

[Suarez] The military maneuvers are another imperialistic provocation that fills us with shame. We deem very important the support we received from Third World countries regarding these maneuvers. We were very happy to know that Uruguayans and Brazilians did not allow British ships or planes to operate in their territories.

[Martorell] What is the United Kingdom seeking to achieve by conducting those maneuvers in a region declared a peace zone by the United Nations?

[Suarez] I believe there is something else behind those maneuvers because the United States has not supported our position as a member of the Inter-American Reciprocal Assistance Treaty should have.

"By conducting those maneuvers the United Kingdom is usurping Argentine waters in a zone where we have signed an agreement for mutual defense. For this reason, I believe the problem goes a little beyond a British provocation; I believe it is a geopolitical problem related to the Panama Canal problem: the need to open a way leading to the Pacific Ocean.

"Argentina handles and defends its inalienable sovereign rights over the Malvinas Islands at international forums. There are, however, several other interests regarding these problems that are above sectorial interests."

[Martorell] There have been rumors in Argentina over the last few days stating that the Chilean Army is conducting military maneuvers simultaneously with the British maneuvers...

[Suarez] According to our sources, the Chilean maneuvers are routine. Chile has too many domestic problems to consider the crazy idea of fighting a war against Argentina or of attacking our country.

"These rumors must have been spread by anti-Chilean and anti-Argentine people. Only that type of people would have spread rumors on movements of Chilean troops against Argentina.

"I believe that neither the Chileans nor the Argentines would fight each other no matter the orders they might receive from their governments."

Teachers Disregard Alfonsin, Continue Strike

PY061746 Buenos Aires BUENOS AIRES HERALD in English 6 Apr 88 p 11

[Excerpts] (NA-DYN)—CTERA [Confederation of Eductation Workers of the Argentine Republic] teachers union grouping yesterday disregarded an appeal by President Raul Alfonsin for an end to the sector's drawn-out strike, which has already delayed the start of the school terms for three and a half weeks.

The strike continued to be over 90 percent successful yesterday despite Alfonsin's statements over the national radio and TV networks the previous night.

The General Labour Confederation (CGT) meanwhile yesterday confirmed it would implement a "battle plan" to back teachers' demands for a unified minimum wage across the country.

CTERA leader Marcos Garcetti conceded that Alfonsin "had the right" to ask teachers to return to the classrooms but said he had "not adequately channelled his request."

"Perhaps the President wasn't briefed on certain aspects of the teachers' dispute, such as that our current struggle didn't come by chance—we have been requesting a unified minimum wage since 1985," Garcetti told the press yesterday. He said CTERA had sent a written reply to Alfonsin. [passage omitted]

Teachers in Cordoba as well as Santa Cruz this week joined others who have rejected unilateral raises, offered by local leaders in a bid to open schools in their respective provinces.

CTERA's executive board meanwhile yesterday denounced the private schools that were threatening to lay off teachers, and warned that teachers in the Federal Capital, Tierra del Fuego, Corrientes and Rio Negro would not return to the bargaining table until they were paid for days on strike, already deducted from their March payrolls.

Finally, Garcetti stressed that there would be no end in sight to the stoppage "until there is an acceptable proposal to unify wages...on the basis of a minimum salary of 770 australes."

Nicaragua's Borge Stops Over in Buenos Aires

PY061718 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1505 GMT 6 Apr 88

[Text] Buenos Aires, 6 Apr (NA)—According to a Nicaraguan diplomatic source, Nicaraguan Interior Minister Tomas Borge may hold a meeting with President Raul Alfonsin next week upon Borge's return from a visit he will pay to Uruguay.

Borge is on his way to Uruguay where he will arrive tomorrow. Today he is in Argentina, but it has been reported that he will not hold any meetings during his 1-day stay in Buenos Aires.

In a statement to NOTICIAS ARGENTINAS, the diplomatic source added that "Borge will rest today and will depart for Montevideo tomorrow."

The source added that Borge will return to Buenos Aires next week and that he will hold a news conference "around 13 April."

Asked whether Borge will meet with President Raul Alfonsin, the source said: "There may be a meeting with Alfonsin and with other government officials and political party leaders."

Borge will be in Buenos Aires on 12-13 April. During his stay he will surely explain to Argentines the agreement the Sandinist government has reached with the "contras" [words indistinct] an eventual cease-fire.

In his meeting with national officials, particularly with Foreign Minister Dante Caputo, Borge will exchange ideas about the upcoming meeting of ministers of nonaligned countries, scheduled to take place on 28 May in Cuba.

During this meeting, Nicaragua will raise the idea of heading the Nonaligned Movement. This will surely be the main issue discussed in the meeting with Caputo.

Bolivia

Central Bank President on Issuance of Bonds

PY051947 La Paz PRESENCIA in Spanish 29 Mar 88 pp 1, 10

[Excerpts] The Central Bank will soon issue"investment certificates" or "investment bonds" with a minimum face value of $50,000 each. These will be used by the government to purchase $39.9 million of its foreign debt with private banks, Central Bank President Fernando Kempff Bacigalupo told PRESENCIA yesterday.

The international creditor banks have said that they are willing to sell $306.6 million worth of debts. Of this amount, Netherlands banks have canceled $15 million; $252 million will have to be negotiated in cash; and $39.9 million can be paid with "investment bonds" [figures as published].

The Bolivian foreign debt with private banks amounts to $970 million, including $670 million in principal and $300 million in interest.

Kempff Bacigalupo said that bonds worth $4.4 million in aggregate face value will be issued for the purchase of $39.9 million debt at 11 cents to the dollar. Anyone can acquire as many $50,000-face valued bonds as they wish.

Two kinds of bonds will be issued: One type to make investments in Bolivia, and the other kind can be bought as "savings bonds" that can be redeemed at any time. [passage omitted]

For instance if a private bank, a member of the creditor consortium, wants to exchange a $10-million debt note for a Bolivian Government "savings bond," the Central Bank will issue to that bank a certificate for $1.1 million, that is, for 11 percent of the debt-note value.

The Central Bank certificate value will gradually increase in value to match the debt-note value in 25 years. [passage omitted]

The rate at which the value of the Central Bank certificate increases is established by a scale issued by the Bolivian Government.

If the bank does not want to wait 25 years for the certificate value to grow to the debt-note nominal value, it may decide to make an investment in Bolivia, Kempff Bacigalupo explained.

In this case, "the bond holder can go to the Central Bank and present the bond along with stocks representing an investment in some enterprise within the country."

If a creditor bank should sell a $10 million debt-note to a client, this client will have to present stocks worth $1.65 million to the Central Bank, which will exchange them for Bolivian pesos at the current exchange rate. The bonds and the stocks will remain in possession of the Central Bank, which will issue an "investment certificate" that the client can apply to expand a plant, start a new company, or to put up equity capital. [passage omitted]

To guarantee these operations, the Central Bank will buy U.S. Treasury Bonds and Inter-American Development Bank Bonds to provide hedging for those operations. These bonds will be deposited in a first class bank.

Those bonds, designated as Triple A bonds, will guarantee the investment certificates or savings bonds which the Bolivian Central Bank will issue to retire its foreign debt.

Bolivia will also buy $4.4 million Triple A bonds in order to purchase $39.9 million of foreign debt. [passage omitted]

Demonstrators Protest Economic Policy

PY061846 Madrid EFE in Spanish 0415 GMT 6 Apr 88

[Text] La Paz, 5 Apr (EFE)—Today several thousand Bolivian workers, peasants, and students demonstrated in this capital to protest government economic policy. No incidents took place during the demonstration.

The demonstration organized by the COB rejected the government plan to transfer public education and health services to the municipalities and local development corporations. The demonstrators also demanded a larger budget for the public college education system.

This antigovernment protest has taken place a day before a 24-hour strike that will be staged tomorrow in La Paz.

UMOPAR Officials Said To Work With Traffickers

PY052015 La Paz PRESENCIA in Spanish 29 Mar 88 p 2-1

[Text] Chimore, Cochabamba, 28 Mar—All the operations undertaken by UMOPAR [Mobile Units for Rural Areas] are carried out within a correct, legal framework, district prosecutor Hector Rodriguez Sanjines has said. Sanjines and prosecutor Humberto Sejas control the confiscation of vehicles, chemicals, and drugs from the drug traffickers.

Hector Rodriguez Sanjines has been district prosecutor for several years.

In this district, which houses the UMOPAR operations center, "all the commanders, officers, and members of UMOPAR act within the law. No illegal behavior has been observed here, he said. [Quotation mark as published]

However, PRESENCIA has learned through inhabitants of nearby towns that the UMOPAR chiefs, including the prosecutors, work with the drug traffickers. The UMOPAR members compensate for their low salaries by returning the large drug finds to the drug traffickers and turning in to the authorities only the small drug finds.

Meanwhile, local court authorities have stated that those responsible for such actions only wish to discredit the local authorities and force them out of the district because they have refused to be bribed by the drug traffickers and the suppliers of chemicals and coca.

Brazil

Defense Integration With Argentina Viewed

PY070157 Madrid EFE in Spanish 1958 GMT 5 Apr 88

[Text] Sao Paulo, 5 Apr (EFE)—Today in Sao Paulo, 460 km southeast of Rio de Janeiro, Brazilian Brigadier General Edson Alves Mey opened the second symposium on Argentine-Brazilian Strategic Studies. This symposium is sponsored by the Brazilian and Argentine Army Chiefs of Staff.

The Brazilian speaker, Rear Admiral Armando Ferreira Vidigal, retired, told EFE that integration between Brazil and Argentina in the field of military industries is feasible in the short term.

Ferreira Vidigal said "this integration is important because it will help to reduce our countries' dependence on foreign sources."

According to Ferreira Vidigal, this dependence "was obvious" during the conflict between Argentina and Great Britain over the sovereignty of the Malvinas Islands in 1982, when Argentina was not able to obtain spare parts for its planes or its "Exocet" missiles, "which were essential in determining the course of the conflict."

Ferreira Vidigal added that "this technological dependence compels us to maintain and develop a national arms industry because, otherwise, the very reason for the existence of the Armed Forces, which is national defense, would be in jeopardy.

Asked about the importance of the political and economic cooperation agreements, Ferreira Vidigal, who retired as Navy deputy chief of staff in 1982, said that these agreements "are very important because the political system backing them up is democracy."

According to Ferreira Vidigal's statement, Latin American countries and the rest of the world "are waiting for" these agreements because of the "historic confrontations" that have prevailed between Argentina and Brazil. Ferreira Vidigal stated that if integration can be applied to the defense sector it will undoubtedly show the serious intentions of both countries and will increase the possibilities of reaching economic and political agreements.

This symposium, which will end on 7 April, forms part of the cultural agreements Argentina and Brazil signed in Puerto Iguazu in 1985, and it coincides with the visit Argentine President Raul Alfonsin will make to Brazil on 6 April.

Navy Opens Nuclear Facility to Press

PY061406 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Apr 88 p A-8

[By Ricardo Bonalume Neto]

[Excerpts] A project the Navy has kept secret for 10 years was shown to the press just 4 days before its dedication, which will be presided over by Brazilian President Jose Sarney and Argentine President Raul Alfonsin next Friday. On 4 April, physicist Rogerio Cezar de Cerqueira Leite, 56, who is a Campinas University professor emeritus and a member of the FOLHA editorial council, and two FOLHA reporters visited the Aramar experimental center facilities in Ipero (1,254 km west of Sao Paulo). At this center, the Navy, through its special project coordinating board [Coordenadoria para projetos especiais—Copesp], is developing two major projects with the cooperation of the Institute for Nuclear and Energy Research (Ipen). The projects include the complete mastery of the nuclear fuel cycle at the pilot plant level [em escala piloto] and the installation of a small-size (50 megawatt) research nuclear reactor.

The long term objective of the projects is the construction of a nuclear submarine. Rear Admiral Othon Luiz Pinheiro da Silva, 49, who runs the center, said the reactor to be installed in Ipero "is an exercise with practical objectives," meaning that the reactor will have the appropriate size and power for a submarine. He explained that at Ipero, the Navy is developing "both the gasoline and the motor," that is, the enriched uranium and the reactor. [passage omitted]

One of the reasons why the Navy decided to open the center to the press is to show that there is no risk of nuclear accident. According to Pinheiro da Silva, the uranium hexafluoride becomes solid under atmospheric pressure and at room temperature and, consequently, there can be no uraniun hexafluoride leaks. "The great cause of fear is not the uranium but what remains of it after it is burned, and this does not happen here," Cerqueira Leite said, adding that "we toured the plant, sat near the uranium, and could not even realize that the centrifuge was operating."

The Navy has spent some $81 million in 8 years on the project. Only 5 percent of this amount was used to import equipment.

The expression "to develop one's own technology means to be independent" can be read on several plaques at the Aramar center and even on the caps worn by center officials, which include several Navy officers and marines, all of them dressed in civilian clothes.

Official: Country Drug Trafficker 'Paradise'

PY061836 Madrid EFE in Spanish 1438 GMT 6 Apr 88

[Text] Rio de Janeiro, 6 Apr (EFE)—With its long jungle border giving access to three main cocaine-producing countries and its superb hotels, highways, airports, and communications services, Brazil has become a "paradise" for the international drug trafficking mafia.

This remark was made in the magazine MANCHETE by Jose Augusto Bellini, the chief of the Federal Police Antinarcotics Department in Sao Paulo.

In the article, Bellini takes stock of the activities of the international drug trafficking rings in Brazil and of the unprecedented struggle of the Brazilian authorities to get rid of this scourge.

Bellini said that the major drug trafficking organizations, such as the Colombian "Medellin Cartel," have for several months now been using Brazil to transport cocaine to the United States and Europe.

Bellini estimated a 1,000-percent increase in cocaine trafficking in Brazil over the past 3 years because of the lack of a police system able to stop these rings, which possess sophisticated weapons and money.

For these rings, "Brazil is a paradise, a real Garden of Eden," Bellini said.

Bellini added: "In Brazil, we have all the means to facilitate drug trafficking. We have a 16,000-km jungle border and we are the neighbors of the three main cocaine-producing countries (Peru, Bolivia, and Colombia)."

According to Bellini, the Amazon, with its extensive territory, greatly facilitates the entry of international drug traffickers and the establishment of large clandestine laboratories with which to process cocaine.

Bellini also said that Brazil has superb hotels, good highways, sophisticated airports, and sophisticated communications services with which to contact the rest of the world from any small town in the interior.

"I can say that Brazil is one of the leading countries in the world concerning drug trafficking and serves as a superb route by which to transport cocaine to the United States and Europe," Bellini added.

Bellini explained that it is impossible to pinpoint a common drug trafficking route. "The drug traffickers use all types of transport and have alternative routes. There are no pre-established routes," he said.

Bellini recalled that until recently it was known that cocaine entered Brazil via Corumba, Matto Grosso do Sul State, from where it was taken to Campo Grande, the capital city of Matto Grosso do Sul State, before being taken to Sao Paulo, while now it is impossible to guess what the drug traffickers will do.

As an example, Bellini cited the arrest in March of former Peruvian boxer Aristides Padilla Aguirre, who was carrying 45 kg of cocaine.

Padilla used to travel from Iquitos, in Peru, to Manaus by ship on the Ucayali River, which is a tributary of the Amazon River, continuing on to Belem, a capital city located on the Atlantic coast in northern Brazil.

From Belem the cocaine was transported to Sao Paulo, the south, and from there it was transported by airplane to Mexico City. From there it was transported by ship [as published] to Merida, a Mexican city, before being transferred to another ship which went to Miami, where it was sold.

The magazine MANCHETE recalls that at least five major drug trafficking connections have been investigated by Sao Paulo federal police agents since 1985, including the "Pan Am" connection, which transported cocaine to the United States, and the Lebanese connection, which raised funds for Lebanese terrorist organizations.

Nevertheless, the most important blow dealt to the drug traffickers by the Brazilian authorities was "Operation Condor," in which 380 kg of cocaine and 77 kg of cocaine paste were seized in a small city in Sao Paulo State.

Alfredo Mario Mingolla, an Argentine citizen who claimed to be a secret service agent for the Argentine, Bolivian, and Guatemalan Governments, was arrested during "Operation Condor." The most spectacular operation against drug trafficking, however, was conducted in Rio de Janeiro in February 1988 when drug trafficker Antonio Jose Nicolau, alias "Toninho Turco" and who was responsible for 60 percent of the cocaine distributed in Rio de Janeiro, was killed in a residential district in Rio de Janeiro.

Chile

Pinochet 'Harshly' Criticizes Politicians

PY052059 Santiago Domestic Service in Spanish 1700 GMT 5 Apr 88

[Report by Graciela Contreras from La Moneda Palace]

[Excerpt] Just a few minutes ago, President Augusto Pinochet harshly criticized politicians, saying they change colors like chameleons.

The president made this criticism when handing out titles to homes to 1,194 families of Cerro Navia district. At the request of the people, President Pinochet gave impromptu greetings to the dwellers of that district and then harshly criticized politicians. He said:

[Begin recording] Politicians who shamelessly change positions from one day to the next [words indistinct] changing colors like chameleons. They change from one color to another overnight. [applause]

It is hard to believe how people who in the past repudiated politicians, who angrily spoke against political parties, are nowadays hand in hand with them. They get together and create confederations and so on. That is why I believe you will appreciate us and will repudiate the politicians who get together one day and then fight each other the next day, politicians who get together only to achieve an objective, but later, when the time comes to distribute positions, fight among themselves. The ministers, the deputies, the senators—they are all going to fight among themselves, and this poor country is going to fall into the worst kind of chaos. We are then going to go backward, not forward as we are doing now. My friends, keep on working, keep on struggling. Thank you. [applause] [end recording]

Housing and Urbanization Minister Miguel Angel Poduje spoke on behalf of the government during the ceremony. He called on Chileans to reject the backward ideas offered to our people by some politicians. [passage omitted]

Merino on Preferred Plebiscite Candidate

PY060254 Santiago Domestic Service in Spanish
2300 GMT 5 Apr 88

[Text] Admiral Merino has said the latest Gallup poll results indicating that 80 percent of Chileans do not claim affiliation with any political party are very good. Merino also said most Chileans have already made up their minds about the plebiscite.

[Begin Merino recording] I think all Chileans have already made up their minds. The opposition campaign, terrorism, and the opposition to what we are doing in government have had enough coverage in the papers for all Chileans to know what the situation is all about. The last [words indistinct] in chaos. [end recording]

The Navy commander also said that during an interview not long ago with [name indistinct] he said that he would like the candidate in the plebiscite to be 54, a civilian, moderate, and with the same political views as the government. Merino added, however, that he cannot confirm he is still of the same opinion today, and he cannot reveal the name of his candidate.

Asked about statements by Andres Zaldivar, Christian Democratic Party vice president, who said high-ranking officers should refrain from making public pronouncements on political issues, Merino answered: [recorded passage indistinct]

Regarding the possibility of meetings between representatives of the National Party and the members of the Government Junta to reach agreement on a joint candidate, Merino said anyone can propose anything, but this does not mean it will become a reality.

Further Comments

PY062159 Santiago Domestic Service in Spanish
1700 GMT 6 Apr 88

[By reporter Daniel Valdebenito from Concepcion]

[Text] Navy Commander in Chief Admiral Jose Toribio Merino Castro has said in Concepcion that, in an interview granted last year to (?THE ECONOMIST), he stated that he would like the candidate [in the upcoming plebiscite] to be 54 years old and to be a young and energetic person.

Asked if the Government Junta would nominate the president of the Republic as the candidate for the plebiscite, Merino replied that if the president of Republic becomes a civilian he could be nominated as a candidate. However, if he remains a military man, he cannot be nominated because, in keeping with the Constitution, the next president must be a civilian and not a military man. Thus, if the president retires and becomes a civilian he may be nominated, Merino said.

Merino also discussed other issues with the reporters upon arriving in [name indistinct] to conduct a 3-day inspection tour of the 2d Naval Zone units.

Merino emphasized the high level of professionalism achieved by ASMAR [Naval Docks and Yards], stating that ASMAR is in a position to begin building equipment to compete on the international market because it possesses top-level personel and sophisticated technology.

Merino said ASMAR is in a position to produce weapons such as anti-aircraft missiles, surface-to-air missiles, torpedoes, mines, etc., as well as warships in order to begin competing on the international market with very good chances of success.

Merino added that a proposal has been made to the government to build an icebreaker similar to the "Aquiles" transport vessel, to conduct tasks in Antarctica. That would represent a high cost, but to build one would be more advantageous than purchasing one on the international market.

Carvajal: Country Must Be 'Prepared To Repress'

PY052032 Santiago Domestic Service in Spanish
1700 GMT 5 Apr 88

[By reporter Mario Reyne from the Defense Ministry]

[Excerpt] Defense Minister Vice Admiral Patricio Carvajal Prado has confirmed the purchase of helicopters from France.

The defense minister said the Chilean Armed Forces will purchase helicopters from France because that country is offering us the most advantageous deal. The following are the defense minister's remarks for Radio Nacional de Chile:

[Begin Carvajal recording] That is correct. We will purchase helicopters from France. A number of weapons have already been purchased from that country.

The three branches of the Chilean Armed Forces have already purchased weapons from France, which is selling us weapons, as is the case with most European, Asian, and African countries. [end recording]

The defense minister added that Chile must be prepared to repress [preparado para la represion].

We negotiated with France because that country is offering us the most advantageous deal, the minister said.

Thus, he confirmed that weapons are indispensable for repression.

[Begin Carvajal recording] Weapons can never be absolutely offensive or absolutely defensive.

Undoubtedly, these weapons will be used in keeping with the principles of national defense.

We must have a deterrent in order to prevent attacks, and these weapons are a deterrent. [end recording] [passage omitted]

Magazine Says Plebiscite Set for 17-21 October

PY060034 Santiago Domestic Service in Spanish 2300 GMT 5 Apr 88

[Text] The bi-weekly magazine CARTA CONFIDENCIAL has stated the plebiscite will be held between 17 and 21 October. The report reads as follows:

The factual nature of this statement increases if we consider that according to CARTA CONFIDENCIAL's usually reliable source the date of the plebiscite has already been set. The date is not too far away, between 17 and 21 October.

CARTA CONFIDENCIAL is a bi-weekly magazine. The last issue, No 20, came out today, 5 April 1988.

ACHA Threatens Nuble Province Political Leaders

PY060235 Santiago Radio Chilena Network in Spanish 2300 GMT 5 Apr 88

[Report from Radio El Sembrador of Chillan]

[Text] (Mario Arsola), president of the Lawyers Association, and Lautaro Vergara, president of Christian Democratic Party of Nuble Province, have received death threats from the anticommunist ACHA [Chilean Anti-Communist Alliance] organization.

The two received letters through the post office that contained threats against their lives for cooperating with the communists. Both (Arsola) and Vergara said they will take no legal action because it is waste of time to try to find the people responsible for such cowardly threats, as shown by other similar cases around the country.

Regarding another issue, the relatives of detainees and missing people of Chillan have started a 24-hour fast. They want to know the whereabouts of Jose Pena, Gonzalo Fuenzalida, Julio Munoz, Manuel Sepulveda, and Alejandro Pinochet, who disappeared last September. This organization also demands clarification of the whereabouts of 763 detainees and people missing in the country in the last few years.

Reporter Sentenced for Slandering Pinochet

PY051321 Santiago Domestic Service in Spanish 1030 GMT 5 Apr 88

[Text] Marco Aurelio Perales, the trial judge of the Santiago Appellate Court, has sentenced reporter Monica Gonzalez to a 61-day prison term. Gonzalez had been charged with slandering the president of the Republic.

It was reported that Gonzalez may serve the sentence by reporting to the parole board for 1 year.

Gonzalez was sued because of an interview with Christian Democratic leader Andres Zaldivar, an interview that was published by an opposition weekly.

Bomb Attack in Concepcion; No Injuries Reported

PY062030 Santiago Domestic Service in Spanish 1700 GMT 6 Apr 88

[Text] Concepcion—A bomb exploded this morning in the front garden of a Chile Telephone Company building located at the corner of Los Cipreses and Las Magnolias Streets, San Martin Villa, in Las Higueras, Puerto de Talcaguano. The device was attached to the automatic meter of a public light pole. The explosion damaged the windows of five private residences but did not interrupt communications.

Explosives experts could not determine the type of explosive or the system used to detonate the bomb. It is nevertheless presumed that the unidentified terrorist used less than 200 grams of explosives. No one was injured.

Carabineros Investigating Arms Cache Discovery

PY061859 Santiago Radio Chilena Network in Spanish 1700 GMT 6 Apr 88

[Excerpt] Personnel of the northern Carabineros station are investigating the discovery of an arms cache near Renca hill, in the Cantero pass along the (Loluis) road, yesterday afternoon. According to a Carabineros report, the police discovered a plastic cylinder containing 9 (?Che) submachinegun clips, 14 percussion fuses, 30 meters of safety fuse, 4 clips for 762-type rifles, 1 32-caliber revolver, 3 RPG7 detonators [impulsores], 5 hand grenades, 3 armour penetrating shells [conos de efecto penetrante], 50 fuses of several types, and at least 170 cartridges of different calibers. The discovery has been reported to the military courts. [passage omitted]

Peru

Garcia To Attend Chamber Session; Postpones Trip

PY070332 Lima Televisora Peruana in Spanish 0100 GMT 7 apr 88

[Report from the Congress]

[Excerpt] As can be expected, the latest news is always on Channel 7 television for the entire country. Today was an important day for political news. We were the first to report a few minutes ago about the presence of Prime Minister Guillermo Larco Cox and the cabinet here in the Chamber of Deputies. It has been learned that Larco Cox and the cabinet will reportedly appear in this chamber on 13 April, possibly at 1700, to explain to the country and the deputies the range of the policies being implemented by the government.

We were also the first to report that President Alan Garcia, taking into consideration that Larco Cox, president of the Council of Ministers, is going to appear before the Chamber of Deputies, has decided to postpone his trip to Europe to deliver a speech at the European Parliament, which had honored him with an invitation. He is postponing his trip in order to be present at this important political event, the appearance of Prime Minister Guillermo Larco Cox before the Chamber of Deputies. The president decided to postpone his trip because of the importance of the issues to be discussed in the chamber. [passage omitted]

Installs New Justice Minister

PY062023 Lima Television Peruana in Spanish 1800 GMT 6 Apr 88

[Text] Today President Alan Garcia called for quicker procedures in the administration of justice during the ceremony installing Carlos Carrillo Gomez, former president of the Peruvian Telephone Company, as the fourth justice minister of his administration.

Carrillo Gomez was sworn in at 1240 in a ceremony held in the Golden Hall of the Government Palace. President Garcia asked the new minister to resolve the problems in the penitentiaries and to punish the people involved in terrorist actions. Before the ceremony began the dignitaries held 1 minute of silence in memory of deceased Minister Gonzalo Durant Aspillaga.

Meets Nicaragua's Borge

PA061644 Paris AFP in Spanish 0509 GMT 6 Apr 88

[Text] Lima, 5 Apr (AFP)—Nicaraguan Interior Minister Tomas Borge said here today that the United States "is pressuring the counterrevolution" so they do not come to an agreement with the Nicaraguan Government in the Sapoa negotiations.

Borge, who made a stopover in this capital en route to Uruguay on an official visit to begin Wednesday, tonight met privately with Peruvian President Alan Garcia at Government Palace.

Borge told the local press that his government has received "information from several different public and private sources to the effect that the U.S. Government wants to thwart the Sapoa talks."

However, he said the Reagan administration has lost credibility among Latin American peoples because of its mistaken behavior in Central America.

Borge stressed: "Reagan's government is about to pass away; therefore, Reagan no longer decides with the same agility and energy of some months back."

Borge talked with President Garcia about the situation in Central America and the attempts by the contras and the Nicaraguan Government to find peace for his country, a government source indicated.

Borge said the Nicaraguan Government has the "will and an undoubtable vocation for peace," as stated in several opportunities to achieve that peace.

Borge said the negotiations are currently centered on defining the zones where the Nicaraguan contras will be located, "as a first step for turning in their weapons."

Economy Minister on Inflation, Economic Growth

PY052109 Lima Television Peruana in Spanish 1200 GMT 5 Apr 88

[Telephone interview with Economy Minister Gustavo Saberbein Chevalier by TV Peru reporter Oscar Eduardo Bravo on 5 April; place not given—live or recorded]]

[Excerpts] [Passage omitted] [Bravo] Over the last few days opposition leaders have said that high inflation rates are opening up a dark future for Peru. How would you classify Peruvian economic growth?

[Saberbein] First we must keep in mind that Peru continues to grow and that this is very important. This growth is based on what we call long-term development. During February there was real growth in the productive sector: thus the GDP has grown 3.6 percent during the first two months of 1988 compared to January and February 1987. [passage omitted]

This results from the growth experienced in the agriculture, fishing, construction, and manufacturing sectors, which are the most important productive sectors. We must also point out that, compared to January, the mining sector grew in February. This is very positive because this is the first time in several months that this sector has grown.

We must also point out that, after several months, we saw the first positive results in March regarding our international reserves. Our reserves increased by more than $35 million.

[Bravo] How much do we currently have in gross reserves?

[Saberbein] Our gross international reserves currently amount to more than $1.2 billion, almost $1.3 billion. [passage omitted]

[Bravo] Is it true that our purchasing power will not be hurt by inflation?

[Saberbein] This is another point to be discussed. The inflation rate during the month of March increased by 22.6 percent. It was higher than the January and February inflation rates. I must point out, however, that this

inflation rate had been foreseen. It was the result of all the corrective measures adopted in March. The inflation rate was high because salaries and wages went up, particularly the lower wages, such as the minimum wage, which increased by 60 percent. [passage omitted]

The purchasing power of salaries and wages has recovered compared to the purchasing power of salaries in July 1985. This does not mean, however, that current salaries are at what a person should be earning.

[Bravo] The opposition is calling for cuts in public spending. Is it possible to reduce public expenses? Are they being reduced?

[Saberbein] There is a certain misinformation regarding public spending, which, currently, is not high. Public spending over the last 2 years has not surpassed 14 percent of the GDP. This is much less than the 17-18-percent of the GDP rates which were common in Peru over the last 10 years.

The fiscal deficit experienced in 1987 amounted to some 5 percent of the GDP. This deficit resulted from lower tax collection, and represents our main problem. To solve it, we have adopted direct measures this year to increase the amount of taxes that will be collected. Thus, the tax on personal wealth, the selective consumer tax, and the general sales tax have been increased. As a result of these increases and of better administration of the taxes collected, the government will obtain a yearly income of 3 percent of the GDP.

Although this increase in taxes will reduce the fiscal deficit, it is currently causing an increase in the inflation rate. [passage omitted]

[Bravo] To end our interview, I would like to ask your opinion about APRA Deputy economist Carlos Rivas D'Avila's remarks regarding inflation. He has proposed the adoption of an emergency program similar to the one adopted in 1985, but with a few modifications to adapt it to the current situation and to the global short- and medium-term economic program which has already been outlined. Thus, he has said the government will put an end to the policy of adopting partial solutions. Do you agree with Deputy Rivas D'Avila proposal?

[Saberbein] I believe that in this case, Deputy Rivas D'Avila is defending the program we are implementing now. What we have done so far is to adopt policies very similar to those adopted in July 1985. and which Deputy Rivas D'Avila has enthusiastically supported and praised.

However, we must recall that it is not only the government that has to fight inflation. Through control of its deficit and of other variables, the government can contribute to reducing inflation, but this reduction also depends on the other 70 percent of the economy which is not in the hands of the government. Even if there is no public deficit, there may be inflation as a result of fundamental imbalances in the remaining 70 percent of the economy. Therefore, a joint effort must be made to fight inflation. Currently, the government is attempting to reduce inflation by doing its share, but private enterprise must also contribute. [passage omitted]

Jorge Lozada Named President of Senate

PY060343 Lima Television Peruana in Spanish 0100 GMT 6 Apr 88

[Excerpt] By a majority vote, tonight Senator Jorge Lozada Stambury of the APRA was elected president of the Senate, replacing deceased legislator Ramiro Priale.

The Senate also made Senator Ruperto Figueroa Mendoza a member of that legislative body. [passage omitted]

Minister on Rifle Shipment to Police From DPRK

PY061439 Lima EL COMERCIO in Spanish 23 Mar 88 p A-1

[Text] Yesterday Interior Minister Jose Barsallo Burga reported that Peru has recently purchased 20,000 automatic rifles and 13,000,000 rounds of ammunition.

Barsallo said that the purchase was made in two packages. The last package to enter Peru comprises 10,000 rifles and 10,000,000 rounds of ammunition.

Later the Interior Ministry reported in official communique 010/88 that the model AKM-65 weapons and the 7.62-mm x 9 caliber cartridges recently shipped from the DPRK were purchased through additions to contract K861/20 signed by Peru and the DPRK.

The Interior Ministry communique states that at the request of the supplier and as a security measure, the contract and the shipment documents gave a different description of the shipment.

The communique adds: "However, when the shipment was unloaded at the port of Callao, the respective officials were informed of the real nature of the shipment, as is shown by the certificate issued by the Callao customs office, the Callao maritime terminal, and the Peruvian shipping corporation [CPV].

The shipment, which arrived at Callao on 29 February 1988 aboard the "Sabogal," a CPV ship, lent itself to speculation that it was contraband for alleged paramilitary groups.

The communique explains that the arrival of the ship and the details of the shipment were in due time reported to the Defense Ministry, adding that the arms and amunition have already been distributed. The Civil Guard received 4,000 rifles and 4,000,000 cartridges, and the Peruvian Investigative Police received 1,640 rifles and 1,500,000 cartridges. The Police Training

Directorate received 1,860 rifles and 1,500,000 cartridges, and the police special operations directorate 2,500 rifles and 3,500,000 cartridges.

The communique adds that the purchase, transportation, unloading, and distribution of the shipment were performed "in keeping with the existing regulations that apply to police operations, and in line with the essential security rules that apply in cases like this."

The interior minister has also announced that 250 police cars and 250 trucks and pickup trucks will be purchased for the police, and that Peru will receive an electronic communications system and a criminal identification system in April.

The minister explained that over the next 3 years, 5,000 policemen will be enlisted annually.

Alleged Shining Path Members Kill Three

PY060326 Madrid EFE in Spanish 0218 GMT 6 Apr 88

[Text] Lima, 5 Apr (EFE)—Today three members of the same family were murdered by alleged members of the Maoist organization Shining Path in a village of the Peruvian district of Quiruvilca.

The bodies of Bernardino Castillo Flores, 60, and brothers Antonietta, 22, and Daniam Valderrama Castillo, 30, were found riddled with bullets in the village of Yarai, La Libertad Department, northern Peru.

On 30 March, Shining Path blew up a truck in Huanuco Department, killing eight policemen and six peasants. On 2 March they killed another policeman in the village of Panao. All public buildings were destroyed in that village.

Two hundred and seventy people have already been killed in Peru by terrorists so far in 1988.

Uruguay

Sanguinetti Departs for Summit in Brazil

PY061343 Madrid EFE in Spanish 1224 GMT 6 Apr 88

[Text] Montevideo, 6 Apr (EFE)— This morning Uruguayan President Julio Maria Sanguinetti departed for Brasilia to participate, together with his Argentine and Brazilian counterparts, in the fifth Southern Cone "summit" since 1985.

Argentina's Raul Alfonsin, Brazil's Jose Sarney, and Julio Maria Sanguinetti will meet today. The Uruguayan president will return to Montevideo tonight.

According to Uruguayan sources, the agenda includes regional integration to form a Latin American common market, trade issues, and the Central American issue—the three countries, along with Peru, form the Contadora Support Group.

President Sanguinetti's entourage includes Foreign Minister Luis Barrios Tassano, Economy and Finance Minister Ricardo Zerbino, as well as other advisers.

The last Southern Cone "summit" was held on 6 February 1988 at the Uruguayan presidential villa in San Juan de Anchorena when, as part of a new straightforward diplomatic style, the presidents agreed to meet about every 6 months.

Venezuela

President Lusinchi Pays Visit to Japan

For coverage of President Jaime Lusinchi's visit to Japan, including reports on his visits with Emperor Hirohito and Prime Minister Takeshita, see the Japan section of the 6 April East Asia DAILY REPORT and subsequent issues.

Suriname

Churches, Guerrillas Meet on Ending Fighting

PA061244 Paris AFP in Spanish 2205 GMT 5 Apr 88

[Text] Paramaribo, 5 Apr (AFP)—Reliable sources in Paramaribo report that a mission of the Committee of Christian Churches (CCK) of Suriname met today with guerrilla leader Ronnie Brunswijk on Stoelmans Island for direct talks between the rebels and the government.

The delegation, which is headed by CCK President Msgr Alouisius Zichem, departed Monday from Paramaribo for the island, which is a rebel base in the Maroni River, on the border between Suriname and French Guiana.

Zichem told reporters before departing Paramaribo that the CCK delegation hoped to "formalize and officially proclaim" a cease-fire, which has been in effect since January, between the guerrillas and Suriname's new civilian government.

The "cessation of hostilities is the first and absolute condition for a dialogue, which would have to end in peace," Zichem said.

Two weeks ago Surinamese President Shankar Ramsewak announced that his government was willing to negotiate with Brunswijk under CCK mediation.

Brunswijk told the CCK in a letter the following week that he also wanted negotiations to end Suriname's war.

The Surinamese Army, lead by former President Desi Bouterse and a group consisting mostly of relatives of those who died in the struggle against the guerrillas, opposed the dialogue.

Bouterse, who led a coup d'etat in 1980 and faced international pressure and serious economic problems, held elections last November and turned power over to a civilian government in January. However, Bouterse always opposed negotiations with the rebels.

It is believed that strong international support for negotiations between the government and the guerrillas will strengthen Shankar in the event of a conflict with the Army.

French Guiana authorities pressured Brunswijk into ending his rebellion, which forced some 10,000 people to take refuge in French Guiana.

The large Surinamese community in exile in Holland, which supported Brunswijk during Bouterse's administration, is supporting an end to the hostilities.

The guerrillas began their attacks in July 1986 with the support of the "bush negro" community—descendants of slaves in this country—and dealt harsh blows to the economy until it paralyzed the bauxite mines and the aluminum industry, principal sources of the country's foreign trade.

Catholic Bishop Zichem is accompanied by Moravian Church leader John Kent and Moravian evangelist W. Sumpter.

Ramdat-Misier Named Court of Justice President

FL061900 Paramaribo International Service in English 1730 GMT 6 Apr 88

[Text] Frederick Ramdat-Misier was yesterday named president of the Court of Justice, said President Ramsewak Shankar. Mr Misier has been asked by the government to prepare and establish the constitution accord. In this regard, he has been temporarily relieved of his activities as president of the Court of Justice. For the time being, Mr (Ostelin) is the acting president of the Court of Justice.